

We Make
Progress
Happen

What does it mean to you to be a youth in RHB?

REACHING HIGHER

REALISING YOUR POTENTIAL

For Everyone

Those who we serve, as well as those who work together with us, are at the heart of everything we do at RHB Banking Group. They are the reason why we are where we are today and for them, we strive to be a sustainable and responsible financial services provider. We are empowered through the Agile way of working and driven by our commitment to ensuring that our stakeholders progress together with us. Thus, *Making Progress Happen for Everyone* unites all RHBians in partnering with our customers to help them succeed, uplifting communities, and building a sustainable banking ecosystem for the benefit of our future generations.

WE'RE HERE FOR ALL

ENRICHING COMMUNITIES

EMPOWERING YOUTH



WHAT'S INSIDE THIS REPORT



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56TH ANNUAL GENERAL MEETING



Wednesday, 27 April 2022



10.00 a.m.

OUR SUITE OF REPORTS

Integrated Report

Our primary Report used to communicate our value creation strategies, performance and outlook to our stakeholders.

Financial Report

Details the Group's financial statements and analysis of the financial results, further supported by an independent auditor's report.

Sustainability Report

Communicates the Group's approach to sustainability and efforts in creating sustainable value.

CG Report

Disclosures of RHB Bank Berhad's Corporate Governance standards, practices and activities undertaken during the financial year, in line with the MCCG.

NAVIGATION ICONS

Links to our strategy pillars as well as our capitals.

Our Capitals:

- F** Financial Capital
- I** Intellectual Capital
- S** Social and Relationship Capital
- H** Human Capital
- M** Manufactured Capital
- N** Natural Capital

Our Strategy:

- F** Fund Our Journey
- I** Invest To Win
- T** Transform the Organisation

Our Reports:

- IR** Integrated Report
- FR** Financial Report
- SR** Sustainability Report

ABOUT THIS REPORT

REPORTING FRAMEWORK

This is RHB Banking Group's third annual Integrated Report ("IR"), covering the period between 1 January 2021 and 31 December 2021 ("FY2021"). Guided by both local and international frameworks, guidelines and best practices, this IR strives to present balanced and comprehensive information about our financial performance and the progress of our strategic initiatives. We also describe our non-financial performance in the context of Environmental, Social and Governance ("ESG"), which is embedded throughout the Report. Our detailed ESG performance is elaborated within our stand-alone Sustainability Report. The IR also provides an outlook and discussions about our future orientation over the short, medium and long term to enable our stakeholders to make better informed investment decisions.

SCOPE AND BOUNDARIES

RHB Bank Berhad is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. This Report covers RHB Bank Berhad and its subsidiary companies across the Association of Southeast Asian Nations ("ASEAN"). References to 'RHB Banking Group', 'the Organisation', 'the Group', 'RHB' and 'we' refer to RHB Bank Berhad and/or its subsidiaries.

The scope of this Report covers our strategies, business activities and performance, as well as initiatives that impact our employees and the communities where we are present. We are constantly striving to improve our data collection to ensure better coverage and disclosures in the future and thus location-specific data is stated where applicable, while some information may only be limited to geographical sectors.

FORWARD-LOOKING STATEMENTS

This Report contains certain forward-looking statements with respect to the business, operational, financial and non-financial performance of the Group based on the beliefs of the Group as

well as assumptions made by Management and information available at that point in time. These statements can also be used to describe the Group's future objectives, strategies, plans and initiatives in the context of our business and sustainability efforts.

Forward-looking statements are typically identified by words or phrases such as 'expects', 'targets', 'intends', 'anticipates', 'believes', 'estimates', 'may', 'plans', 'projects', 'should', 'would' and 'will'. Such statements should not be construed as a guarantee of future operating or financial results, considering the potential risks and uncertainties that can arise from unforeseen events beyond the Group's control. Readers are cautioned not to place undue reliance on forward-looking statements.

Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national and regional economic conditions; interest rates; exchange rates; and credit or matters that have not been reviewed or reported on by the Group's auditors. Future results may also differ from what has been planned due to changes in direction by the Management or the Board of Directors.

GUIDELINES AND STANDARDS

Throughout the preparation of this Report, we have been guided by best practices as prescribed by international integrated reporting frameworks. Locally, we have adhered to:

- Malaysian Code on Corporate Governance ("MCCG")
- Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia's Sustainability Reporting Guide (4th edition)
- Bursa Malaysia's Corporate Governance Guide (4th edition)
- Companies Act 2016
- Bank Negara Malaysia's ("BNM") Policy Documents and Guidelines
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards and other regulatory requirements as applicable

In the area of sustainability, we have developed our Sustainability Report in line with key sustainability guidelines and standards such as:

- Global Reporting Initiative ("GRI") Standards: Core Option
- Bursa Malaysia's Sustainability Reporting Guide (2nd Edition)
- United Nations Sustainable Development Goals
- Recommendations by the Task Force on Climate-related Financial Disclosures ("TCFD")
- Greenhouse Gas ("GHG") Protocol: Corporate Accounting and Reporting Standard

All information presented is as at 31 December 2021, unless otherwise stated.

WHO WE ARE

TOTAL ASSETS

RM289,541 million

TOTAL INCOME

RM7,789 million

EMPLOYEES ACROSS NINE COUNTRIES

MORE THAN 14,000

RHB BANKING GROUP, a multinational regional financial services provider, strives to provide complete financial solutions to its customers. With a comprehensive range of services to suit its customers' evolving requirements, RHB offers a fast and seamless customer experience, supported by its dedicated team of employees.

As a leading bank in Malaysia, RHB has firmly established its presence and brand through its wide range of products and unique value propositions. With the support of over 14,000 employees Group-wide, RHB's reach also extends to eight other countries in the ASEAN region.



CORPORATE INFORMATION

COMPANY SECRETARIES

Azman Shah Md Yaman
(LS 0006901)

Hasnita Sulaiman
(MAICSA No. 7060582)

REGISTERED OFFICE

Level 10, Tower One
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel : +603 9287 8888
Fax : +603 9281 9314
Corporate Website : www.rhbgroup.com

COMPANY REGISTRATION NO.

196501000373 (6171-M)

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor

For shareholders' enquiries
Helpdesk No. : +603 7890 4700
Fax : +603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS

PricewaterhouseCoopers PLT
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur
Tel : +603 2173 1188
Fax : +603 2173 1288

24/7 CUSTOMER CONTACT CENTRE

Malaysia
Tel : +603 9206 8118
Email : customer.service@rhbgroup.com

GROUP CORPORATE STRUCTURE

as at 15 February 2022

GROUP CORPORATE STRUCTURE
as at 15 February 2022

RHB Bank Berhad



- Notes:**
- * Dormant company
 - 1 The company became a direct wholly-owned subsidiary of RHB Bank (L) Ltd on 1 March 2021.
 - 2 The company commenced member's voluntary winding-up on 16 February 2011.
 - 3 The company changed its name on 31 January 2020.
 - 4 The company changed its name on 21 January 2021.
 - 5 The company commenced member's voluntary winding-up on 13 October 2021.
 - 6 Jointly controlled entity.
 - 7 The company changed its name on 28 February 2020.
 - 8 The company became a wholly-owned subsidiary of RHB Investment Bank Berhad on 19 February 2019.
 - 9 The company commenced member's voluntary winding-up on 30 June 2017.
 - 10 The company commenced member's voluntary winding-up on 27 December 2021.
 - 11 Direct shareholdings of 20.00% each held by:
 - (i) RHB Investment Bank Berhad;
 - (ii) RHB Nominees (Tempatan) Sdn Bhd;
 - (iii) RHB Nominees (Asing) Sdn Bhd;
 - (iv) RHB Futures and Options Sdn Bhd; and
 - (v) RHB Bank Berhad.
 - 12 The company commenced member's voluntary winding-up on 30 September 2020.
 - 13 The company commenced member's voluntary winding-up on 28 March 2012.
 - 14 The company commenced member's voluntary winding-up on 3 August 2020.
 - 15 The company commenced the application for voluntary liquidation and dissolution on 25 June 2020.

OUR VALUE CREATION IN PRACTICE

OUR VALUE CREATION IN PRACTICE

FINANCIAL
PERFORMANCE

Total income

RM7,789
million

(2020: RM7,186 million)

Net profit

RM2,618
million

(2020: 2,033 million)

Cost-to-income ratio

45.2%

(2020: 47.1%)

Dividend payout

RM1.6
billion

(2020: RM0.7 billion)

Dividend payout ratio

62.9%

(2020: 34.8%)

Dividend yield

7.4%

(2020: 3.2%)

FOR OUR
CUSTOMERS

Repayment Assistance

312,992
retail customers
in 2021**RM34.5**
billion**7,133**
SME customers
in 2021approximately
RM12.9
billion

Investment in digital

Allocated

RM200
millionto implement and enhance
digital capabilities to better
serve customers

Disability Related Service Training ("DRST")

283frontliners from 189 branches in Malaysia
completed the Disability Related Service Training
("DRST") to deliver excellence and meet the needs
of differently abled customers

Net Promoter Score (NPS)

RHB MY
achieved**+15**in 2021
(+2 vs 2020)RHB SG
achieved**+9**in 2021
(+22 vs 2020)FOR OUR
SOCIETIES

Invested

RM9.1
millionin COVID-19 relief efforts, community enrichment and empowerment projects,
academic excellence programmes, and humanitarian aid which benefited more than
20,000 individuals and charitable organisations mainly in Malaysia, as well as Singapore,
Cambodia, Laos and Brunei

Benefited more than

4,000underprivileged students from the
B40 segment and 40 schools since
the launch of RHB X-Cel Academic
Excellence in 2018 under our education
initiativeIncreased financial literacy for
more than**25,000**secondary students
since the launch of Money
Ma\$ter Programme in
2018

Contributed

RM5
millionworth of laptops and 111 units of SIM cards
for more than 3,600 students from 33 schools
nationwide under the CERDIK initiativeFOR OUR
EMPLOYEES

Actively engaged with employees and achieved

90%in Employee Engagement Survey, in
line with the Group's target score for
2021

Invested

RM24.6
millionin upskilling and capacity building
through in-house/virtual classrooms and
e-learning

Recorded

606,623total training hours
with an average of 48
training hours per employee
per year

Upskilled over

600employees
in Digital, IT and Analytics to build
proficiency in high-demand and
future-looking skills

Contributed almost

RM1
millionthrough the RHB Humanitarian Fund and
RHB Natural Disaster Fund to assist RHBians
who were impacted by the pandemic and
natural disasters such as floodsFOR THE
PLANET

Green financing provided year-to-date

RM4.32
billion

as part of RHB's RM5 billion commitment to Green Financing by 2025

Promoted sustainable financing through

RM1
billionRHB Sustainability Financing Programme for Green
Energy, Green Buildings, Green Process and Green
ProductsImproved reduction in Greenhouse Gas ("GHG") emission intensity per
employee by**41%**

in 2021 against baseline year 2016

WHAT WE DO

WHAT WE DO

**GROUP
COMMUNITY
BANKING**

Group Community Banking ("GCB") comprises the Retail Banking and SME Banking segments and was established as a result of the restructuring of the Group's Strategic Business Groups in 2021. We serve over 3.9 million individual customers and more than 200,000 businesses, providing both conventional and Shariah-compliant products and services to consumers and SMEs. Retail Banking provides consumer banking solutions ranging from Wealth Management, Bancassurance, Mortgages, Auto Financing and ASB Financing to Personal Financing, Credit Cards, Payments and Deposits, while SME Banking provides financing solutions to SMEs and family-owned enterprises. We are committed to serving our customers with excellence and to make banking more convenient and seamless by leveraging digitalisation to deliver innovative, market-relevant products.

**GROUP
WHOLESALE
BANKING**

Group Wholesale Banking ("GWB") comprises the key business segments of Group Investment Banking, Group Corporate Banking, Commercial Banking, Group Treasury and Global Markets, Asset Management, Transaction Banking and Economics. GWB was established following a restructuring of the Group's Strategic Business Groups in 2021. GWB provides comprehensive and coordinated services across a wide spectrum of products and solutions to cater to the needs and requirements of our customers here and in the region. We are able to help our customers progress as we tap the collective expertise and potential for synergies across our business segments, which is also crucial to opening up new opportunities and strengthening our business in the markets we are present in.

**GROUP
INTERNATIONAL
BUSINESS**

Group International Business ("GIB") comprises our overseas commercial banking and investment banking portfolios. We have a strong presence through an established network of offices and branches across Singapore, Indonesia, Thailand, Vietnam, Brunei, Laos, and Cambodia. We offer a wide variety of products and services to customers of all segments, ranging from loans, deposits, wealth management solutions and trade financing to stock-broking, derivatives and capital market related services such as initial public offerings, raising of debt capital and mergers & acquisition.

**GROUP SHARIAH
BUSINESS**

RHB Islamic Bank is the Group's Islamic Banking arm, providing Shariah-compliant banking and financial services through Group Community Banking and Group Wholesale Banking pillars. RHB Islamic also provides Shariah advisory for the Investment Banking Group on investment banking and asset management activities. As at December 2021, we are the third-largest Islamic bank in Malaysia by financing assets.

**GROUP
INSURANCE**

RHB Insurance provides general insurance for our retail and corporate customers. We offer a comprehensive range of general insurance and other products for better protection and peace of mind. Customers have easy and convenient access to service and support through our network of 15 nationwide branches, over 700 Pos Malaysia branches and more than 2,230 authorised agent offices.

OUR BUSINESS

RHB Banking Group is one of the largest fully integrated financial services groups in Malaysia. The Group's core businesses are structured into five business pillars, namely Group Community Banking, Group Wholesale Banking, Group Shariah Business, Group Insurance and Group International Business.

Our strong heritage is the foundation of our commitment to continue serving the community. For more than 100 years, we have been helping people and businesses grow and succeed, and will continue to do so with pride. We have established a strong footprint throughout Malaysia, with a presence in eight other countries across the ASEAN region.

Our ambitions and aspirations are aligned with *Making Progress Happen for Everyone*. Whether you are our customer, business partner or a member of the communities where we operate, you can be assured that the Group's calling is to facilitate the support that you need to progress and to succeed. Our experience gives us an in-depth understanding of your needs, inspiring us to constantly innovate and improve to serve you better.

As we continue to pursue excellence, we welcome everyone to join us on our exciting journey of progress as we move forward in unison to realise our greater potential together. Our brand promise of *Together We Progress* honours our past, celebrates the present and welcomes a more sustainable future.

RHB

**WE MAKE
PROGRESS
HAPPEN
FOR
EVERYONE**

WHERE WE OPERATE

WHERE WE OPERATE

We are more than 14,000 strong with 362 branches and offices in the region

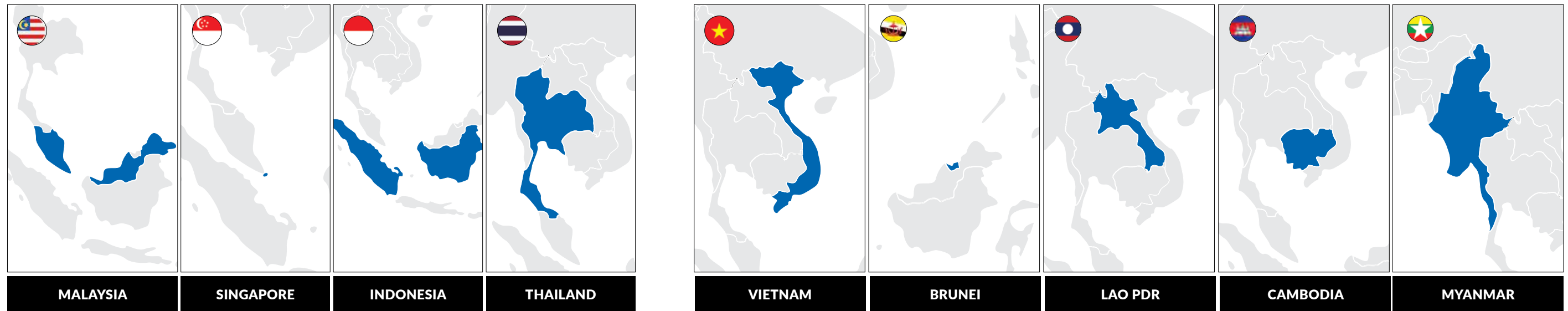
In addition to our strong presence in Malaysia, RHB has a regional footprint that extends across eight other countries in ASEAN.

In 2021, we restructured a part of our business to group our business units under two broad but focused segments of Community banking and Wholesale banking to unlock greater synergies. Above all, we are committed to supporting the progress of our customers and stakeholders through innovative, seamless and sustainable banking solutions.



Scan the QR code for the details of our **BRANCH NETWORK**

or log on to <https://www.rhbgroup.com>



SERVICES OFFERED

<ul style="list-style-type: none"> Group Community Banking, consisting of Retail Banking and SME Group Wholesale Banking Group Shariah Business Group International Business Insurance Business Capital Markets 	<ul style="list-style-type: none"> Retail Banking, Capital Markets and Securities Services 	<ul style="list-style-type: none"> Capital Markets and Securities Services 	<ul style="list-style-type: none"> Retail Banking, Capital Markets and Securities Services 	<ul style="list-style-type: none"> Securities Services Representative Office 	<ul style="list-style-type: none"> Retail Banking Services 	<ul style="list-style-type: none"> Retail Banking Services 	<ul style="list-style-type: none"> Retail Banking, Capital Markets and Securities Services 	Representative Office
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EMPLOYEES 2021

12,555	651	204	195	26	28	69	308	
2020: 12,530	2020: 660	2020: 333	2020: 201	2020: 24	2020: 29	2020: 69	2020: 275	

BRANCHES/OFFICES 2021

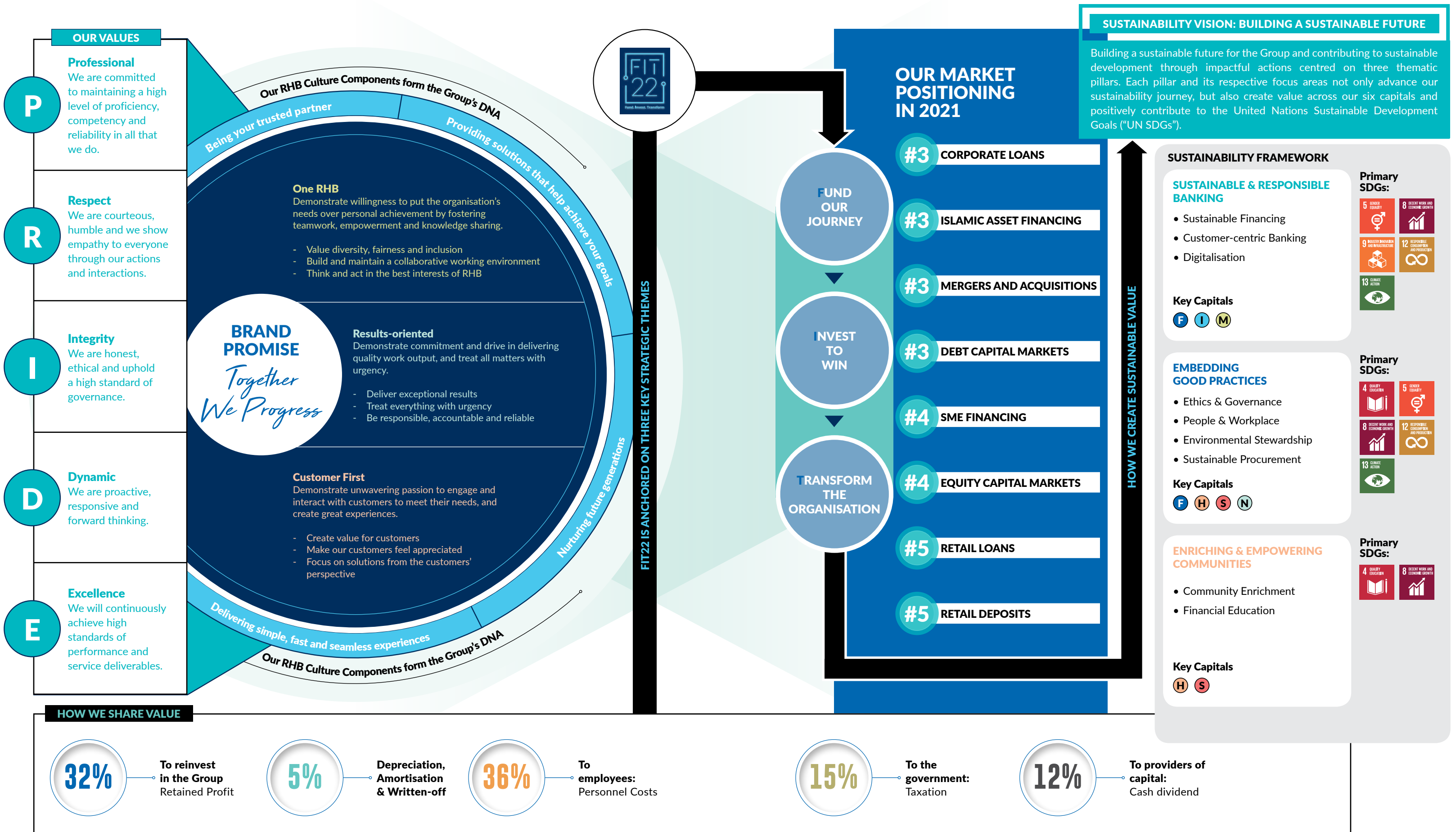
309	9	15	10	1	1	3	14	
2020: 311	2020: 8	2020: 15	2020: 12	2020: 1	2020: 1	2020: 3	2020: 13	

TOTAL REVENUE 2021

RM6,913.6 million	SGD174.6 million	IDR209.1 billion	THB902.7 million	VND8.2 billion	BND4.1 million	LAK36.8 billion	USD31.3 million	
2020: RM6,439.1 million	2020: SGD139.2 million	2020: IDR165.5 billion	2020: THB860.3 million	2020: VND12.1 billion	2020: BND3.7 million	2020: LAK35.2 billion	2020: USD28.4 million	

OUR INVESTMENT CASE

OUR INVESTMENT CASE

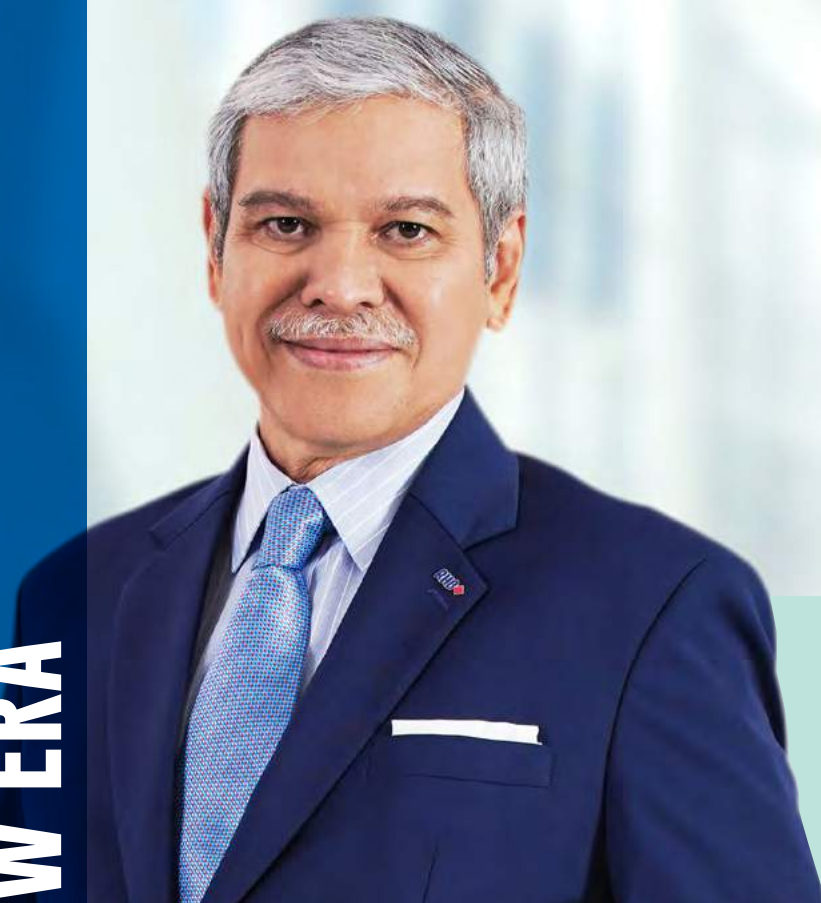


A MESSAGE FROM OUR CHAIRMAN



A MESSAGE FROM OUR CHAIRMAN

GEARING UP FOR A NEW ERA



**TAN SRI AHMAD BADRI
MOHD ZAHIR**
Chairman

HIGHLIGHTS
OF THE YEAR

Net Profit
RM2.62
billion
(2020: RM2.03
billion)

Total
Dividend
Payout
RM1.6
billion
(2020: RM0.7
billion)

Dividend
per Share
40.00
sen
(2020: 17.65
sen)

Dividend Yield
7.4%
(2020: 3.2%)

Basic Earnings
per Share
64.7
sen
(2020: 50.7 sen)

OVERVIEW OF 2021

THE GROUP CONTINUED TO ACHIEVE SIGNIFICANT PROGRESS IN 2021, AS OUR PEOPLE DEMONSTRATED INCREDIBLE RESILIENCE AGAINST THE BACKDROP OF YET ANOTHER CHALLENGING PERIOD AMIDST THE PROLONGED COVID-19 PANDEMIC.

Cognisant of our role as a responsible financial institution, we remained steadfast in assisting our customers and the affected communities through these difficult times. Utilising what we had learnt since the beginning of the COVID-19 pandemic, we are now better prepared and able to better understand the needs of our affected customers. This had enabled us to put in place a more holistic assistance programme that caters to their differing needs.

The Group successfully weathered the challenges of the pandemic to deliver a commendable financial performance for FY2021, recording Net Profit of RM2.62 billion, 28.8% higher than the preceding year. The Group's FIT22 strategy, prioritising customer-centricity, productivity and innovation, has gone a long way towards ensuring our resilience and continues to pave the way towards achieving sustainable progress.

AN UNEVEN RECOVERY YEAR

The COVID-19 pandemic continued to evolve into an even more prolonged health crisis with the spread of new variants. Despite the global vaccination efforts that were rolled out in earnest, the spread of new variants continued to overwhelm health systems, thereby forcing many parts of the world to reintroduce lockdown measures in an attempt to break the chain of infection.

In Malaysia, the Full Movement Control Order ("FMCO") implemented between June and August 2021 affected GDP growth. While the growth of 3.1% in 2021 was a positive turn from the 5.6% contraction in 2020, it essentially meant that the country's economic output had yet to recover to pre-pandemic levels.

By the fourth quarter of 2021, however, Malaysia achieved a key milestone in its National COVID-19 Immunisation

Programme ("PICK") with 90% of its adult population being fully vaccinated. This allowed for some momentum to return to the economy, alongside improved business and consumer sentiment as more sectors were reopened.

This positive development bodes well for a stronger recovery in 2022, with Malaysia's economic growth forecasted to reach 5.5%. However, there remains a small downside risk whereby the discovery of new and unpredictable strains of the COVID-19 virus may again disrupt the pace of economic recovery.

STEPPING UP WHEN IT MATTERED MOST

With businesses and individuals continuing to face cash flow difficulties due to the prolonged pandemic, the banking industry responded by providing additional assistance to ease the plight of the affected customers. This included

Repayment Assistance programmes that provided opt-in moratoriums on loan/financing facilities, while targeted payment assistance programmes also continued throughout the year. In November, the Financial Management and Resilience Programme ("URUS") programme, via a collaboration with the Credit Counselling and Debt Management Agency ("AKPK"), was launched, specifically targeting the B50 segment.

Additionally, through RHB Insurance, we supported affected customers through the Cov-Aid Premium Instalment Scheme, which allowed individuals and SME customers whose income or business was affected by COVID-19 to pay their premiums via instalment schemes. Alongside this, the Cov-Aid Premium Relief Scheme provided premium payment relief of up to 50% for both new and existing SME policyholders.

A MESSAGE FROM OUR CHAIRMAN

A MESSAGE FROM OUR CHAIRMAN



Sustainability

**PROGRESSING
THE SUSTAINABILITY AGENDA
FURTHER**

Over the past few years, the Group has worked conscientiously to integrate Environmental, Social and Governance ("ESG") considerations into our business strategies and decision-making process, anchored on our three thematic pillars of Responsible and Sustainable Banking, Embedding Good Practices and Enriching and Empowering Communities.

Our commitment to green financing saw the Group mobilising RM4.32 billion as at December 2021 across all business activities. Realised gains in this area have been reflected in our improved ESG Ratings over the years, and we are consistently discovering ways to improve and further embed ESG considerations in our wider businesses and operations.

ESG RATINGS

- Remained a constituent of the **FTSE4Good Bursa Malaysia Index** as at June 2021
- Top 25% by ESG Ratings among public listed companies in FTSE Bursa Malaysia EMAS Index as at June 2021
- RHB Bank Berhad scored 47/100 in the 2021 **S&P Global Corporate Sustainability Assessment**, reflecting an improvement of 4 points over the past one year
- Maintained an AA rating (Leader) in **MSCI ESG Ratings** since September 2019

Awards/Milestones**Winner**

for 'Highest Returns to Shareholders Over Three Years' under the Financial Services Sector category at the prestigious The Edge Billion Ringgit Club & Corporate Awards 2021

Gold Winner

for The Best Governed and Transparent Company Award from The Pinnacle Group International's Global Good Governance Awards

Highly Commended Recognition

at the Sustainable Business Awards Malaysia 2020/2021

DIVIDEND

In appreciation of the continued trust and support of our shareholders, I am pleased to share that the Board has proposed a final dividend of 25 sen per share, consisting of a cash payout of 15 sen per share and an electable portion under the Dividend Reinvestment Plan of 10 sen per share. Together with our interim dividend of 15 sen, the total dividend for FY2021 amounts to 40 sen per share or a 62.9% payout ratio and dividend yield of 7.4%, being the highest-ever for the Group.

STRENGTHENING GOVERNANCE PRACTICES

The Group continued to create awareness among our employees on the pitfalls of bad business conduct and weak internal controls through various training programmes. We also embarked on the development of our very own Organisational Anti-Corruption Plan ("OACP") to align anti-bribery and anti-corruption efforts with the National Anti-Corruption Plan 2019-2023 ("NACP"). We view the act of corruption as a corrosive habit that undermines an organisation's credibility and its ethical values, and as such, this document will be a statement of intent from our Group to commit to deterring and abhorring the act of corruption in our way of doing business.

As a custodian of public funds, we are committed to strengthening our governance framework, embedding compliance culture in our everyday work processes and ensuring the adoption of industry best practices. In this context, we acknowledge the recent update of the Malaysian Code on Corporate Governance in April 2021, which builds on the 2017 iteration and is aimed at improving governance practices and the capital market landscape. The Group has also decided to accelerate our existing efforts in fighting Financial Crime through a strategic programme called RHB AML Capabilities Enhancement Programme, also known as the RACE Programme, that will strengthen our Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") efforts and capabilities. In line with RHB's AML/CFT vision, we are committed to safeguard our customers and communities against financial crime and compliance risks.

FIT22 CONTINUES TO TRACK STRONGLY

In the year under review, the Group continued to ensure the successful execution of our FIT22 strategy, which is now in its final phase of implementation. The FIT22 strategy has transformed the Group into a customer-centric banking group which delivers service excellence to our customers by adopting a digital-first strategy through our digital ecosystems. In many areas, the results achieved through the implementation of the FIT22 strategy have exceeded our expectations, which continues to solidify our foundations and resilience in gearing up for future growth.

FIT22 KEY ACHIEVEMENTS**Since the launch of FIT22**

PBT increased by 37.9% (2021: RM3,529 million; 2017: RM2,558 million)	ROE increased by 0.9% (2021: 9.6%; 2017: 8.7%)	CIR reduced by 4.7% (2021: 45.2%; 2017: 49.9%)
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At present

- Over 13,000 SME eSolutions customers (41.3% increase from December 2020)
- Over 1 million customers onboarded our new RHB Mobile Banking App
- Digital transactions increased to 93% (86% in December 2020)
- Over 80% of employees working the Agile way
- Over 190 Minimum Viable Products launched in 2021 under the Agile way of working

To further strengthen our FIT22 aspirations and to ensure that we are able to respond quickly to the rapid change in customer needs, the Group will further accelerate our digital transformation programme, simplify our delivery channel and continue to expand our product suites. These efforts will be reflected in the Group's next five-year strategy, which will also include a new five-year sustainability strategy to drive sustainability efforts within the Group.

Underpinning this new phase of our growth is our new Purpose Statement, *Making Progress Happen for Everyone*, which will serve as a guiding light for all RHBians towards achieving the Group's collective aspirations.

HELPING OUR COMMUNITIES

In what has been a challenging year for all our stakeholders and the community as a whole, due to the effects of the pandemic, we continued to lend our support to those affected by COVID-19 and the prolonged MCOs. In FY2021, we contributed almost RM9.1 million to provide aid to frontliners, B40 students and the segments of society most affected by the pandemic. We also continued to nurture future generations by investing in their education.

RHB'S HEARTBEAT

All that we have accomplished thus far would not have been possible without the commitment, determination and resilience of our employees. They have gone the extra mile in many instances to ensure we were able to deliver on all our obligations to our stakeholders. The health and safety of our employees will remain our top priority, and this is important to the continued success of the Group.

A PERSONAL THANK YOU

I would like to take this opportunity to extend our sincere thanks to the outgoing Group Managing Director, Dato' Khairussaleh Ramli. We would like to acknowledge his contributions in leading the Group to where it is today during his eight years at the helm, and wish him all the best in his future endeavours.

To ensure continuity in the interim, the Group has appointed Mohd Rashid Mohamad, who is also the Managing Director of Group Wholesale Banking, as the Officer-in-Charge/Principal Officer, effective 24 January 2022. Under his leadership and with the support of the Group Management Committee, the Group will continue its course towards achieving its goals and business growth during this period.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to record my deepest appreciation to our shareholders for their continued support and trust in the Group. To our customers and business partners, thank you for your continued loyalty as we look forward to our journey in creating sustainable value for all our stakeholders.

The Board would also like to acknowledge the efforts and contributions of the Group's Senior Management team in successfully navigating a challenging operating environment and delivering commendable results for FY2021. To all RHBians, please accept my gratitude for your dedication, commitment and hard work in striving towards the Group's goals and aspirations.

We would also like to express our appreciation to the Ministry of Finance, Bank Negara Malaysia, Securities Commission Malaysia, Bursa Malaysia and all other relevant regulatory bodies in the countries that we operate in for their continuous support and guidance.

In closing, I would like to thank my fellow Directors and the Board of Directors of the other entities within the Group for your guidance and insights in helping the Group achieve its ambitions. I look forward to working with the Board of Directors and the Senior Management team in the coming year to achieve all that we have set out to do.

TAN SRI AHMAD BADRI MOHD ZAHIR
Chairman

PRINCIPAL OFFICER'S MESSAGE



PRINCIPAL OFFICER'S MESSAGE

POSITIONED FOR VALUE CREATION



MOHD RASHID MOHAMAD
Officer-in-Charge/Principal Officer

DEAR VALUED SHAREHOLDERS,

2021 WAS YET ANOTHER TUMULTUOUS YEAR AS THE COVID-19 PANDEMIC CONTINUED TO IMPACT LIVES GLOBALLY.

Closer to home, Malaysians persevered by showing incredible strength, unity and resilience in the face of unprecedented challenges, including the devastating impact of severe floods in many parts of the country late in the year. Through these times, RHB Banking Group ("RHB" or the "Group") stood by our customers, the communities and all our other stakeholders in ensuring continued recovery, and moved closer towards our aspirations of achieving sustainable progress together. In turn, we are humbled and thankful for the continued trust that has been placed in us over the years.

fundamentally stronger to take advantage of the rapid changes in customer demand and behaviour, as well as the expected economic recovery in the year ahead.

If there is one word that could summarise all we have accomplished in 2021 despite the challenges we faced, it would be this – Progress. We have lived our brand promise of *Together We Progress* and the main driving force behind our achievements today are all the RHBians across the Group.

Throughout the Group, whether it was at the strategic, corporate, business or functional level, we have pushed ourselves even harder to achieve the significant progress that we see today. In fact, our achievements have exceeded our goals in many areas and this will continue to propel us forward, positioning us strongly to capture future opportunities and to achieve our aspirations of *Making Progress Happen for Everyone*.

FIT22 CONTINUES TO TRANSFORM RHB

We are currently in the final year of our FIT22 strategy, and it is encouraging to see the progress we have made since its inception in 2017. I am pleased to share that the Group has made significant headway in all key focus areas of our FIT22 strategy, having gained significant market share across most of our product and business segments. We have also accrued strong digital and productivity improvements, enabled by the Agile way of working, and have made substantial inroads into the Affluent and Wealth, SMEs and Large-Cap and Mid-Cap spaces. Our achievements during the year under review are discussed in more detail throughout this Report.

In terms of key financial targets, we have improved our Cost-to-Income Ratio from 49.9% in 2017 to 45.2% in 2021, closer to our 2022 target of 45.0%. However, largely due to the pandemic, we attained a Return on Equity

WE MAKE PROGRESS HAPPEN FOR EVERYONE

I am honoured to be given this opportunity to address you, our valued shareholders, as Officer-in-Charge/Principal Officer of RHB Banking Group, a position to which I was appointed on 24 January 2022 following the departure of the Group Managing Director, Dato' Khairussaleh Ramli. I have accepted this position and its responsibilities with the deepest gratitude and am fully aware of the significance of this undertaking, and shall continue to serve in this capacity pending the appointment of the new Group Managing Director. With full support from the Board of Directors and my colleagues in the Group Management Committee, I look forward to continuing to contribute to the Group's success story.

With this, I am pleased to present to you the RHB Integrated Report for the year 2021, which describes how the Group has continued to progress in its strategies towards creating sustainable value for you, our shareholders.

OVERVIEW

The COVID-19 pandemic has had a profound impact on lives and livelihoods globally. However, it is not all despair and despondence. The prolonged pandemic has, in its own way, forced us as individuals as well as organisations to re-examine ourselves, revisit our priorities and re-evaluate what matters most in our lives and to our stakeholders. Resilience and the ability to adapt to

change as we grappled with the fluid and unprecedented environment became the order of the day. For RHB, the pandemic has taught us valuable lessons and, most importantly, we have used these lessons to adapt to the circumstances – strengthening our foundation, enhancing our capabilities and accelerating efforts in areas that matter most to our customers.

The well-being of our customers, employees and the communities in general remained our top priorities throughout 2021 and this will continue to be at the top of our agenda as we move forward. With agility and the willingness to realign and reprioritise our strategies, we have indeed emerged



Financial

FY2021 PERFORMANCE

Total income ↑
RM7,789
million
Up 8.4%
(2020: RM7,186 million)

Profit before taxation ↑
RM3,529
million
up 33.4%
(2020: 2,644 million)

Market capitalisation ↑
RM22,247
million
Up 1.8%
(2020: RM21,855 million)

of 9.6% against our 2022 target of 11.5%. Nevertheless, we are confident that this metric will improve over time, in line with the more sustained economic recovery that is expected to take place in 2022.

Our Digital Transformation Programme is one of the core components of our FIT22 strategy. Much of the Group's outstanding progress overall has also been a result of the initiatives under our Digital Transformation Journey. We remain committed to deliver more innovative products and services, greater operational efficiencies and improved customer experience.

FIT22 for more information, please refer to Our Strategy Roadmap

PRINCIPAL OFFICER'S MESSAGE

PRINCIPAL OFFICER'S MESSAGE

MAKING HOLISTIC PROGRESS

First-in-market online solutions: RHB MYHOME, SME FINANCING AND SME E-SOLUTIONS	Transactions being conducted through digital channels 2021: 93% 2017: 64%	SME (small ticket) loans and financing originated digitally 2021: 25% 2017: < 1%
Group Net Promoter Score 2021: +15 2017: -9	Cost-to-income ratio 2021: 45.2% 2017: 49.9%	Investment amount allocated for digitalisation initiatives until 2022 RM200 MILLION with 65% of the investment utilised

Agile way of working

MORE THAN 80% OF RHB'S 14,000 EMPLOYEES ARE NOW WORKING THE AGILE WAY, WITH THE TARGET OF ALL EMPLOYEES TO FLIP TO AGILE BY THE END OF 2023



Our SME customers can now complete their online financing applications remotely with our SME Smart Interview feature, launched in the second quarter of 2021. Against the backdrop of the pandemic, this is an important feature as it facilitates virtual interviews and site inspections that our Relationship Managers need to conduct as part of the financing approval process.



For Retail Customers, the Group introduced the e-Signature facility for Wealth customers. We also revamped our Internet Banking platform, empowering our customers through digitalisation, hence reducing the need for them to physically visit branches, as well as facilitating digital transactions such as term deposit placement, and multi-currency accounts. This platform will continue to be improved as we aim to provide a unified and convenient experience for our customers.



To further embed the innovation culture, we introduced an internal incubation programme inspired by the "Dragon's Den" television series to encourage and challenge our employees to accelerate innovation, to develop groundbreaking next-generation ideas. Employee squads pitch their ideas to obtain 'funding' for their projects, and are rewarded with bonuses should their innovations produce tangible outcomes such as revenue uplift, cost reduction or greater customer acquisition. This initiative has since produced three breakthrough ideas. Additionally, the Group collaborated with Amazon Web Services and Malaysia Digital Economy Corporation ("MDEC") to host a hackathon focusing on driving customer-centric solutions by leveraging data analytics, which further expanded our innovation capabilities.

The innovations that we introduced have enabled our customers to conduct more of their banking activities remotely and made banking experiences more seamless. We have also started planting the seeds of an innovative ecosystem which will mature into a crucial building block that will be key in our pursuit of becoming a Digital Banking Leader in the region. Our digital efforts are driven through four areas of focus – digital customer journeys, customer engagement and acquisition, digital payments and expanding digital into overseas markets where we operate.

We have gathered strong momentum within the digital space and are set to continue building upon our culture of innovation, leveraging digitalisation wherever possible to create even better and more frictionless customer journeys across all our products and ecosystems. Our commitment to delivering results in this area has led us to becoming the first bank in Malaysia to include innovation Key Performance Indicators ("KPIs") as part of the Management Committee's Balanced Scorecard, which provides us with benchmarks and measurements to drive even greater achievements.

ASSISTING OUR CUSTOMERS

Malaysia has made encouraging progress in the implementation of the National COVID-19 Immunisation Programme ("PICK"). However, the impact of the pandemic has continued to cast a long shadow, disrupting the businesses and livelihoods of our customers. With the lockdowns being imposed once again in mid-2021, it was incumbent upon us as a financial services group to respond quickly to address the needs of our affected stakeholders.

The experiences of 2020 granted us better insights on the most affected groups within the economic value chain, thus enabling us to

respond more holistically and with greater accuracy than before. For example, the Retail and SME segments have long been among the most impacted sectors as the lockdowns reduced the ability of retailers to generate sales, even as they continued to pay salaries and rent. As such, in August 2021, we stepped up to provide financing facilities of up to RM200 million to meet the working capital needs of retailers across malls in Malaysia. This initiative – the Retailer SME Relief Financing Programme – leveraged the funds available under Bank Negara Malaysia's Targeted Relief and Recovery Facility ("TRRF"), which is a facility specifically aimed at supporting the recovery of Malaysia's SMEs. In 2021, the Group facilitated the financing of RM1.15 billion to SMEs through the TRRF programme.

BEING THERE WHEN IT MATTERS MOST

Since March 2020, the Group has provided holistic assistance to its customers, including:

- Repayment Assistance ("RA") was at its peak in September 2020, with the initial moratorium outstanding balances amounting to RM107.1 billion or 66% of total domestic borrowings, for more than 753,000 customers
- Cov-Aid Premium Relief Scheme: RM1.57 million; Cov-Aid Premium Instalment Scheme: RM8.8 million in premiums converted to instalments
- Total approved cases for URUS: RM216.2 million for 811 customers

For local communities, the Group mobilised RM9.1 million in 2021 across a range of programmes, including:

- Donations of digital devices to schools, which was facilitated through the CERDIK programme that aims to narrow the digital divide among school children
- Providing critical ICU ventilators needed by hospitals, as well as cash and in-kind support for families and homes affected by the pandemic and floods
- Continuing to prioritise the nurturing of future generations by investing in education to provide pathways to academic excellence for B40 students and improving financial literacy among youths

Supporting SME customers

- In 2021, the Group facilitated a total disbursement of RM2.38 billion, representing the highest percentage of SJPP financing in that year. RHB has also continuously been recognised as the top performer since 2018, with the highest market share in terms of disbursement of SJPP financing to Malaysian SMEs
- CGC: RM1.09 billion, benefiting more than 2,800 SMEs in 2020/2021

The COVID-19 assistance that we provided extended beyond financial relief. Our #JomSapot campaign, for example, which was introduced in 2020, continues to be a platform that assists our SME customers in promoting their products and services to our extensive customer base at no extra cost. As at end-December 2021, we have more than 200 merchants operating almost 6,000 outlets nationwide who have benefited from this initiative. As an extension of our #JomSapot initiative, in February 2022, we partnered with The Star Media Group, through its BeliLokal initiative, to widen our support for local businesses. This collaboration between #JomSapot and the BeliLokal initiative provides an even greater strategic avenue for local businesses to gain increased visibility and awareness, where we are able to significantly increase their reach and impact.

SAFEGUARDING AND SUPPORTING OUR PEOPLE

The welfare as well as the health and safety of our employees continued to remain a top priority for the Group against the backdrop of a resurgent pandemic. In support of the PICK Programme, we launched the RHB Vaccination Programme during the year to accelerate the rate at which our employees were vaccinated. As at end-December 2021, 98.5% of our Malaysian workforce has been fully vaccinated.

Working From Home ("WFH") continued to be adopted across the Group with up to 80% of our workforce working from home during the height of the pandemic between May and September 2021. In recognition of how the pandemic has completely changed assumptions about the feasibility of working remotely, the Group intends to implement WFH Arrangement as a permanent feature of the Group's employee benefits going forward. We are targeting at least 20% of our employees to enjoy this benefit as the nation moves into the anticipated endemic phase of the National Recovery Plan.

PRINCIPAL OFFICER'S MESSAGE

Through the RHB Humanitarian Fund, we also supported employees and their families who were stricken by COVID-19. As of 31 December 2021, our Pandemic Financial Relief Fund has pooled together RM379,921 from RHBians, with a total of more than RM213,000 disbursed to 178 affected staff and their family members. This initiative is a testament to our One RHB culture that is deeply engrained within each RHBian, who have come together to provide assistance to their fellow colleagues in their time of need.

The Group also has a Natural Disaster Fund to assist all RHBians, including overseas staff, who were impacted by the pandemic and natural disasters such as floods. In 2021, RHB allocated RM800,000 for the fund. As at 31 December 2021, a total of RM 774,058 was utilised, of which RM604,000 was provided for COVID-19 assistance and RM170,058 for flood assistance.

SUSTAINABLE & RESPONSIBLE FINANCIAL SERVICES

It has been an especially productive year in the context of our efforts to integrate ESG considerations deeper into our business and operations.

HIGHLIGHTS FOR 2021

ADVANCING OUR ESG JOURNEY

<p>Effective 2022 onwards, we will no longer pursue opportunities or provide finance for any new thermal coal mine projects and coal-fired power plant projects. In addition, we adopted a new stance on No Deforestation, No Peat and No Exploitation ("NDPE") whereby moving forward, RHB will only support responsible companies in the relevant sectors (i.e. Palm Oil, Forestry and Agriculture) that demonstrate alignment with NDPE</p>	<p>Commitment to green financing now totalling RM4.32 billion, of which 20.7% is for renewable energy projects, as of end-December 2021</p>	<p>In the investments space, we are supporting the ESG agenda further by integrating ESG scores into our stock valuation assessments</p>
<p>Kickstarted the Group Climate Action Programme, towards managing the risk of climate change in the Group's business and operations</p>	<p>Launched the RHB Sustainability Finance Programme, which provides various green financing solutions to retail and SME customers, with the target of granting RM1 billion in new financing by 2025. As of end-December 2021, a total of RM44.36 million has been extended</p>	<p>RHB was also the sole principal adviser, sole lead arranger, joint lead manager, facility agent, shariah adviser and commodity trading participant for SME Bank's RM3 billion Sukuk Wakalah Programmes and its inaugural issuance of the country's first Sustainability Sukuk by a Development Financial Institution ("DFI") valued at RM500 million</p>
<p>Expansion of the Group's ESG Risk Assessment tool comprising eight ESG-sensitive sectors</p>	<p>Successfully structured and executed Malaysia's first Green Cross Currency Interest Rate Swap transaction set against ESG-linked KPIs to hedge a USD100 million 2-year Sustainable Loan</p>	<p>Through Value-based Intermediation ("VBI"), our Islamic arm has collaborated with the Malaysian Green Technology and Climate Change Corporation on their Rumah Ibadat Hijau initiative and has initiated discussions with several established local universities for potential collaborations</p>
<p>Accelerated the offering of Sustainable Financial Services products and solutions</p>	<p>Launched 4 SRI-qualified ESG funds with total AUM of RM836 million as of end-December 2021</p>	

PRINCIPAL OFFICER'S MESSAGE

FIT22 - A STRATEGY FOR THE FUTURE

It has indeed been an incredible year for the Group as we delivered on our targets and generated strong momentum for the path ahead. The business landscape, domestically and regionally, has shifted greatly in many areas, particularly in the areas of technology and digitalisation as well as the greater focus being placed on integrating ESG or sustainability holistically into the way we conduct our business and operations moving forward.

In light of the profound changes expected to take place post-pandemic, the Group has taken proactive steps to reassess our strategies and identify the areas that need to be further reinforced and enhanced in order to meet changing consumer preferences and business needs. The Group has put in place robust strategies to capitalise on the multitude of opportunities present in these spaces towards long-term value creation. These will be announced to our stakeholders in due course.

As part of reshaping our forward-looking orientation, we have created a new Purpose Statement to capture our long-term ambitions and to provide our stakeholders with a quick point of reference to our very reason for existing. Thus, following extensive preparations,

including focus group sessions with employees and our customers, we decided to adopt the Purpose Statement of *Making Progress Happen for Everyone*, which closely aligns with our brand promise, *Together We Progress*.

This is a refinement of our approach towards value creation, underpinned by quality and sustainable growth. It also demonstrates our commitment to supporting our customers through thick and thin, as we weather the ongoing challenges of the pandemic.

To better position ourselves for the next stage of growth, we created two new Strategic Business Groups, namely Group Community Banking ("GCB") and Group Wholesale Banking ("GWB"). The creation of GCB, housing Retail Banking and SME Banking, aims to achieve greater synergies between the overlapping segments of small business owners and the wealth and affluent space. Meanwhile, GWB brings together Investment Banking, Corporate Banking, Group Treasury and Global Markets, Group Asset Management, Commercial Banking, Transaction Banking, and the Economics team with the goal of deepening long-term relationships with existing and new clients and offering holistic solutions across all products, tailored to the needs of our diverse client base.

Within our refined overall strategy now exists a prominent and specific focus on sustainability in the form of our new five-year Sustainability Strategy. Taking effect within the first quarter of 2022, the Sustainability Strategy emphasises our focus and commitment to being a sustainably responsible financial services provider and encapsulates the following key aspirations:

- Supporting sustainable development by mobilising RM20 billion in sustainable financial services by 2026**
- Empowering more than two million people across ASEAN by 2026**
- Achieving carbon neutral operations by 2030**

Please refer to our Sustainability Report 2021 for more details on our Group Sustainability Framework, and sustainability governance and initiatives.

ACKNOWLEDGEMENTS

On behalf of the Senior Management and all RHBians, I would like to take this opportunity to extend our sincere appreciation to our shareholders, customers and business partners for your trust, support and loyalty over the years. Although it has been challenging, we are more committed than ever to progress with you as we work together to realise our respective aspirations.

I would like to extend our deepest appreciation to the outgoing Group Managing Director, Dato' Khairussaleh Ramli, for his leadership and vision in guiding RHB and the Senior Management to the position we are in today. We wish Dato' Khairussaleh all the best in his future endeavours.

My deepest appreciation to my colleagues in the Group Management Committee for their unrelenting support and their drive as well as commitment in the execution of the Group's strategy and towards ensuring that the Group remains ahead of its competitors across key

financial indicators. And to my fellow RHBians across Malaysia and the ASEAN region, thank you for your dedication and resilience during these trying times. We will not be where we are today without your hard work, sacrifices and dedication.

To the Chairman and Board of Directors, our deepest gratitude for your collective vision, guidance and wisdom in setting the Group's strategic direction and in upholding good governance that bodes well for the Group's value creation journey.

Finally, a special thank you goes to the Ministry of Finance, Bank Negara Malaysia, Securities Commission Malaysia, Bursa Malaysia and all relevant regulatory authorities in the countries we operate in for the invaluable guidance, assistance and counsel over the years.

MOHD RASHID MOHAMAD
 Officer-in-Charge / Principal Officer

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

GROUP CHIEF FINANCIAL OFFICER'S REVIEW



NIK RIZAL KAMIL
Group Chief Financial Officer

THE GROUP EXHIBITED RESILIENCE AS IT NAVIGATED THROUGH CHALLENGES AMID CONTINUED UNCERTAINTY IN THE OPERATING ENVIRONMENT.

For FY2021, the Group delivered strong performance and demonstrated its ability to sustain growth while maintaining robust capital and liquidity positions.

OPTIMISING OUR FINANCIAL POSITION



DELIVERING ON OUR STRATEGIES

RHB achieved net profit of RM2,618.4 million for the financial year ended 31 December 2021, up by 28.8% from last year.

This was supported by higher net fund based income and lower net modification loss and allowances for expected credit losses reported during the year. On that note, profits for most business segments improved in the financial year under review.

The Group continued to focus on disciplined cost management by keeping a tight rein on its spending. Given the current operating environment, the Group remained prudent and continued to monitor asset quality closely, while still maintaining strong capital and liquidity positions. Loan loss coverage, excluding regulatory reserves, remained well above 100% as at end-December 2021. These strong fundamentals, together with resilience exhibited by our financial performance, put us in a sound position for sustainable growth in the long term.

PERFORMANCE REVIEW OF KEY BUSINESS UNITS

Group Community Banking

- Group Community Banking posted a pre-tax profit of RM1,630.4 million, mainly due to higher net fund based and non-fund based income and lower allowances for credit losses.
- Gross loans and financing rose 6.1% year-on-year to RM124.2 billion, primarily driven by growth in mortgages (8.1%), auto finance (4.3%) and SME (11.2%).
- Deposits increased by 9.9% year-on-year to RM100.9 billion, mainly contributed by growth in CASA and fixed deposits.

Group Wholesale Banking

- Group Wholesale Banking posted a pre-tax profit of RM1,999.2 million from higher net fund based income and fee income growth from capital market and asset management.
- Gross loans and financing grew marginally by 1.6% year-on-year to RM50.3 billion, driven by growth in Commercial Banking.
- Deposits increased 3.4% year-on-year to RM93.0 billion, primarily from higher MMTD.

Group Shariah Business

- RHB Islamic Bank recorded a pre-tax profit of RM1,030.5 million, due to higher net fund based and non-fund based income and lower modification loss and allowances for credit losses during the year.
- Gross financing recorded double-digit growth of 11.4% year-on-year to RM74.9 billion.
- Islamic business contributed 43.0% of the Group's total domestic gross loans and financing, an improvement from 40.5% in December 2020.

Group International Business

- **Group International Business** posted a pre-tax profit of RM109.3 million.
 - **RHB Bank Singapore** reported a pre-tax profit of SGD14.9 million, attributed to higher net fund based and non-fund based income and lower allowances for credit losses. Gross loans and advances grew by 23.0% year-on-year to SGD6.3 billion, while deposits increased by 15.0% to SGD6.7 billion.
 - **RHB Bank Cambodia** reported a pre-tax profit of USD19.1 million, primarily due to higher net fund based income and writeback of allowances for credit losses during the year. Gross loans and advances grew by 16.1% year-on-year to USD679.2 million, while deposits contracted by 3.9% to USD571.3 million.

* Excluding IB overseas operations which is reported under Group Wholesale Banking

Group Insurance

- RHB Insurance registered a pre-tax profit of RM121.0 million, attributed to a decline in net investment income.

MOVING FORWARD

Moving into 2022, the Group will remain prudent and continue to monitor market developments closely. For the banking sector, the demand for credit is projected to improve in tandem with economic growth prospects and similarly, interest rates are expected to normalise gradually this year. The industry is anticipated to remain resilient, supported by strong capital and liquidity levels and adequate impairment provisions made over the last two years.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

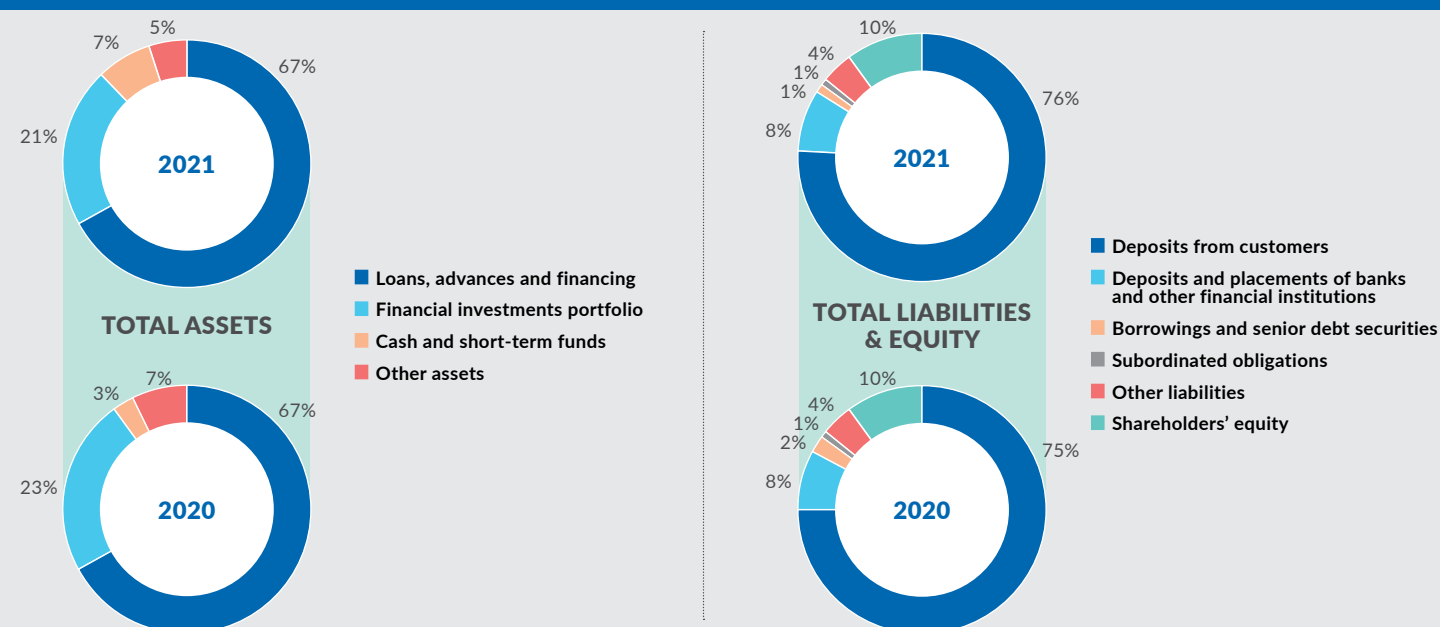
GROUP CHIEF FINANCIAL OFFICER'S REVIEW

GROUP FINANCIAL HIGHLIGHTS

	2020	2021
PROFITABILITY (RM'million)		
Total income	7,186	7,789
Operating profit before allowances	3,799	4,266
Profit before taxation	2,644	3,529
Net profit attributable to equity holders of the Bank	2,033	2,618
FINANCIAL POSITION (RM'million)		
Total assets	271,150	289,541
Financial investments portfolio	63,371	61,881
Gross loans, advances and financing	186,114	198,512
Total liabilities	244,093	261,511
Deposits from customers	203,471	218,733
Shareholders' equity	27,024	27,998
FINANCIAL RATIOS (%)		
Net return on average equity	7.7%	9.6%
Net return on average assets	0.77%	0.93%
Gross impaired loans ratio	1.71%	1.49%
Gross loans to deposits ratio	91.5%	90.8%
CAPITAL ADEQUACY RATIOS (%) ^{N1}		
Common equity Tier 1 capital ratio	16.2%	17.2%
Tier 1 capital ratio	16.2%	17.2%
Total capital ratio	18.4%	19.8%

^{N1} Ratios are after proposed final dividend.

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



PROFITABILITY

Analysis of the Financial Statements

- The Group recorded a net profit of RM2,618.4 million compared with RM2,032.5 million recorded last year.
- Total income grew 8.4%, mainly attributed to higher net fund based income and partially offset by lower non-fund based income.
- Lower net modification loss and prudent funding cost management provided further support to operating profit before allowances, which improved by 12.3% to RM4,266.3 million.

Net Interest/Fund Based Income

- Gross fund based income decreased by 5.6% while funding and interest expense dropped by 24.1% year-on-year, supported by a higher deposit base. As a result, net fund based income grew by 11.5% to RM5,874.7 million from a year ago, whereas NIM stood at 2.14% compared with 2.06% recorded last year.

Other Operating/Non-Fund Based Income

- Non-fund based income declined 7.6% to RM2,158.8 million, primarily from lower brokerage income and net trading and investment income, and offset by higher insurance underwriting surplus and fee income growth from capital market, asset management and commercial banking.

Operating Expenses

- Operating expenses increased by 4.0% year-on-year to RM3,522.4 million. With positive JAWS, cost-to-income ratio improved to 45.2% compared with 47.1% last year.

Allowances for Credit Losses

- Allowances for credit losses reduced to RM737.2 million, arising from lower impairment on loans and higher bad debts recovered during the year.
- Full-year credit charge ratio was at 0.29% compared with 0.58% last year.

FINANCIAL POSITION

Total Assets

- Total assets for the Group increased by 6.8% from December 2020 to RM289.5 billion as at 31 December 2021, primarily due to an increase in loans, advances and financing and cash and short-term funds.
- Loans, advances and financing remained the largest component of the total assets at 67.3% (2020: 67.3%).
- The Group continued its focus on growing responsibly, strengthening risk management and managing our funding and liquidity position.

Cash & Short-Term Funds and Deposits & Placements With Banks and Other Financial Institutions

- The Group's total cash & short-term funds and deposits & placements with banks and other financial institutions grew by 55.7% to RM23.3 billion as at 31 December 2021.

Financial Investment Portfolio

- The Group's financial investment portfolio comprises financial assets at fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income ("FVOCI") and financial investments at amortised cost.
- The Group's financial investment portfolio decreased by 2.4% to RM61.9 billion.

Loans, Advances and Financing

- The Group's gross loans and financing grew by 6.7% year-on-year to RM198.5 billion, mainly supported by growth in mortgage, auto finance, SME, Commercial and Singapore. Domestic loans and financing grew 4.8% year-on-year. The Group's domestic loan market share stood at 9.1% as at end-December 2021.
- Overseas gross loans increased by 22.1%, mainly attributed to growth in Singapore and Cambodia.

Total Liabilities and Equity

- Total liabilities increased by 7.1% to RM261.5 billion as at 31 December 2021, mainly due to higher deposits from customers.
- Shareholders' equity rose by 3.6% to RM28.0 billion, primarily from higher retained earnings. Net assets per share grew from RM6.74 to RM6.76.

Deposits From Customers

- Customer deposits increased by 7.5% year-on-year to RM218.7 billion, predominantly attributed to fixed and money market time deposits growth of 9.0% and CASA of 4.5%. CASA composition stood at 30.0% as at 31 December 2021.
- Liquidity coverage ratio ("LCR") remained healthy at 155.7%.
- Deposits for domestic operations increased by 6.7%, while overseas operations registered an increase of 14.1% with Singapore growing at 16.7%.

Deposits and Placements of Banks and Other Financial Institutions

- Deposits and placements of banks and other financial institutions increased by 11.3% to RM23.4 billion, mainly due to higher deposits and placements by BNM/other central banks.

Senior Debt Securities

- Senior debt securities increased by 2.9% to RM3.6 billion.

Subordinated Obligations

- Subordinated obligations increased by 18.5% from RM 2.7 billion to RM3.2 billion.

ASSET QUALITY

- Gross impaired loans was RM3.0 billion as at 31 December 2021 with gross impaired loans ratio of 1.49%, compared with RM3.2 billion and 1.71%, respectively, as of December 2020.
- Loan loss coverage ratio for the Group, excluding regulatory reserves, remained well above 100% at 122.4% as at end-December 2021.

CAPITAL ADEQUACY

As at 31 December 2021, the common equity Tier 1 ("CET 1") ratio and total capital ratio of the Group remained strong at 17.2% and 19.8%, respectively, among the highest in the industry.

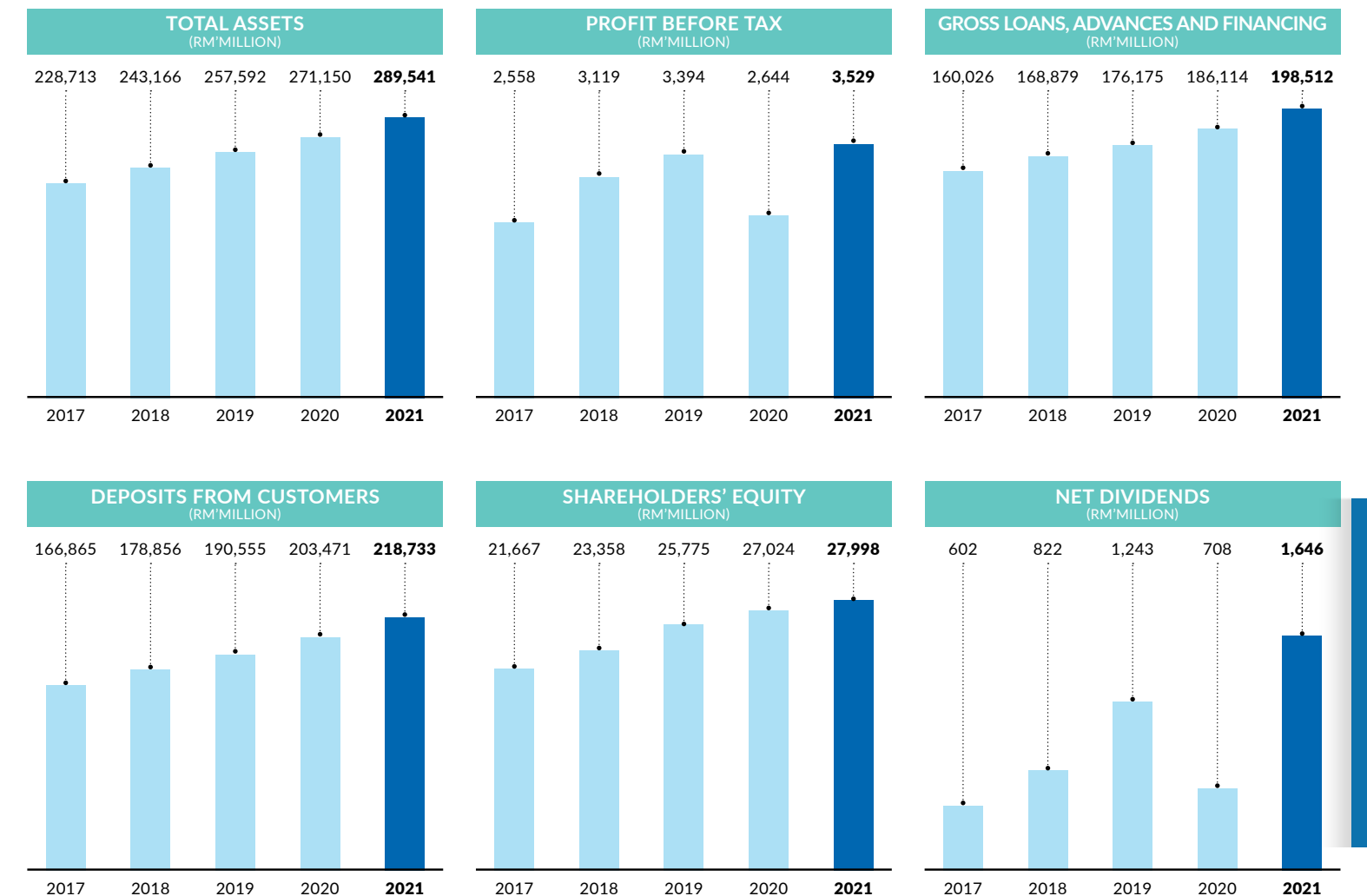
GROUP CHIEF FINANCIAL OFFICER'S REVIEW

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

FIVE-YEAR GROUP FINANCIAL SUMMARY

	2017	2018	2019	2020	2021
OPERATING RESULTS (RM'Million)					
Operating profit before allowances	3,200	3,448	3,670	3,799	4,266
Profit before taxation	2,558	3,119	3,394	2,644	3,529
Net profit attributable to equity holders of the Bank	1,950	2,305	2,482	2,033	2,618
KEY BALANCE SHEET DATA (RM'Million)					
Total assets	228,713	243,166	257,592	271,150	289,541
Gross loans, advances and financing	160,026	168,879	176,175	186,114	198,512
Total liabilities	207,012	219,770	231,782	244,093	261,511
Deposits from customers	166,865	178,856	190,555	203,471	218,733
Shareholders' equity	21,667	23,358	25,775	27,024	27,998
Commitments and contingencies	172,226	172,941	150,428	157,480	157,777
SHARE INFORMATION					
Gross dividend per share (sen)	15.00	20.50	31.00	17.65	40.00
Net assets per share (RM)	5.4	5.8	6.4	6.7	6.8
Net tangible assets per share (RM)	4.6	5.0	5.6	5.9	5.9
Basic earnings per share (sen)	48.6	57.5	61.9	50.7	64.7
Share price (RM)	5.00	5.29	5.78	5.45	5.37
Market capitalisation (RM'million)	20,050	21,213	23,178	21,855	22,247
FINANCIAL RATIOS (%)					
Profitability Ratios					
Net return on average equity	9.1	10.3	10.3	7.7	9.6
Net return on average assets	0.8	1.0	1.0	0.8	0.9
Cost-to-income ratio	49.9	49.3	48.0	47.1	45.2
Asset Quality					
Gross loans to deposits ratio	96.0	94.4	92.5	91.5	90.8
Gross impaired loans ratio	2.23	2.06	1.97	1.71	1.49
Ordinary Shares					
Dividend yield	3.0	3.9	5.4	3.2	7.4
Dividend payout ratio	30.8	35.7	50.1	34.8	62.9

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS



GROUP QUARTERLY PERFORMANCE

	2020					2021				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Financial Performance (RM'Million)										
Net fund based income	1,259	1,238	1,240	1,532	5,267	1,417	1,432	1,492	1,534	5,875
Non-fund based income	471	713	591	562	2,336	544	574	621	421	2,159
Total income	1,729	1,558	1,830	2,068	7,186	1,923	2,006	1,941	1,919	7,789
Operating profit before allowances	912	732	976	1,179	3,799	1,038	1,141	1,079	1,009	4,266
Profit before tax	761	519	790	574	2,644	864	913	829	923	3,529
Net profit attributable to equity holders of the Bank	571	401	622	439	2,033	650	701	636	631	2,618
Earnings per share (sen)	14.2	10.0	15.5	10.9	50.7	16.2	17.5	15.6	15.3	64.7
Dividend per share (sen)	-	-	10.00	7.65	17.65	-	15.00	-	25.00	40.00

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

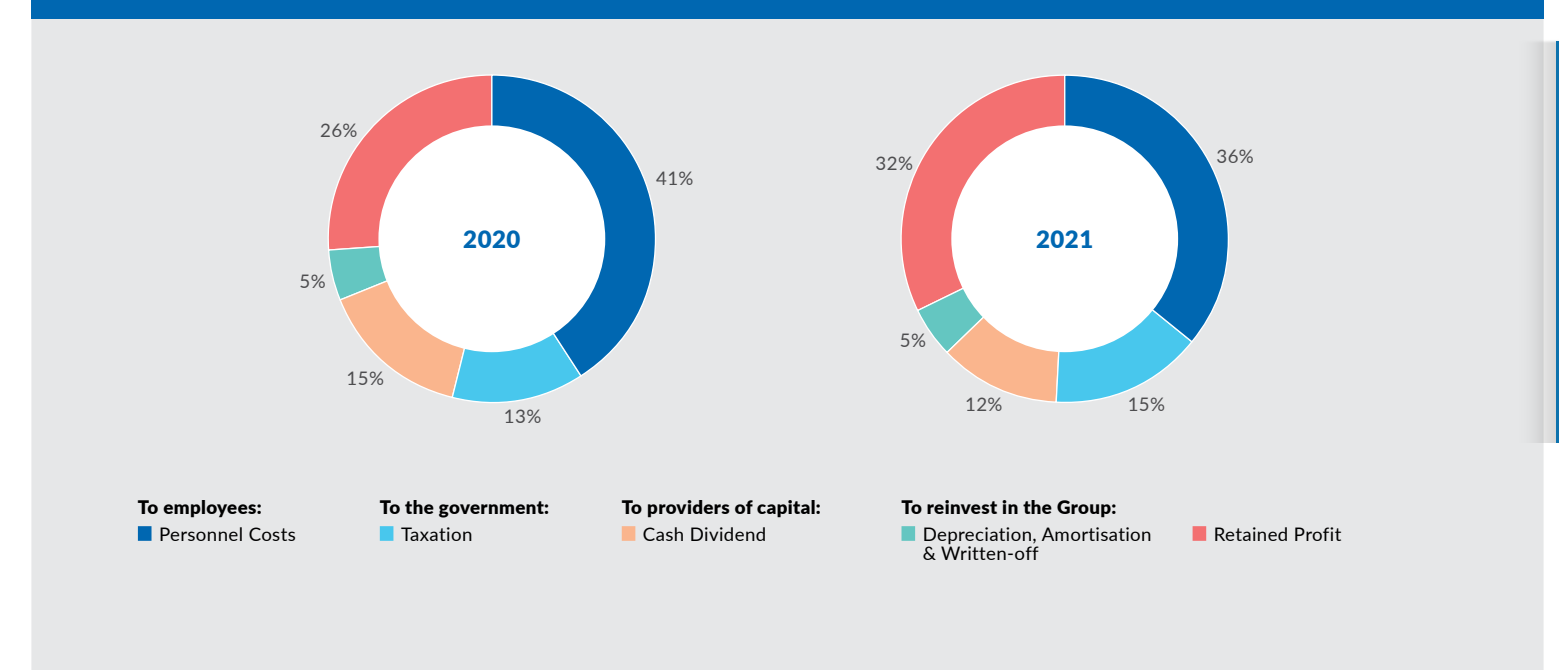
KEY INTEREST BEARING ASSETS AND LIABILITIES

	Amount (RM'million)	Effective interest rate (%)	Interest income/ expense (RM'million)
2021			
Interest Earning Assets			
Cash and short-term funds & deposits and placements with banks and other financial institutions	23,318	1.10	204
Financial assets at fair value through profit or loss	2,778	3.03	52
Financial assets at fair value through other comprehensive income	41,141	3.26	1,391
Financial investments at amortised cost	17,962	3.61	624
Gross loans, advances and financing	198,512	3.88	7,427
Interest Bearing Liabilities			
Deposits from customers & deposits and placements of banks and other financial institutions	242,140	1.39	3,299
Borrowings/Subordinated obligations/Senior debt securities	6,996	3.28	247
2020			
Interest Earning Assets			
Cash and short-term funds & deposits and placements with banks and other financial institutions	14,974	1.47	143
Financial assets at fair value through profit or loss	4,462	3.50	71
Financial assets at fair value through other comprehensive income	42,903	3.63	1,463
Financial investments at amortised cost	16,005	3.92	593
Gross loans, advances and financing	186,114	4.41	7,945
Interest Bearing Liabilities			
Deposits from customers & deposits and placements of banks and other financial institutions	224,506	2.07	4,497
Borrowings/Subordinated obligations/Senior debt securities	6,899	3.42	236

STATEMENT OF VALUE ADDED

	2020	2021
Value added (RM'Million)		
Net interest income	3,761	4,062
Income from Islamic Banking business	1,666	2,095
Non-interest income	2,177	1,876
Net modification loss	(418)	(245)
Less: Overheads excluding personnel costs, depreciation, amortisation & write off	(1,048)	(1,059)
Less: Allowance for credit losses & impairment	(1,155)	(738)
Profit from discontinued operation	35	-
Value added available for distribution	5,018	5,991

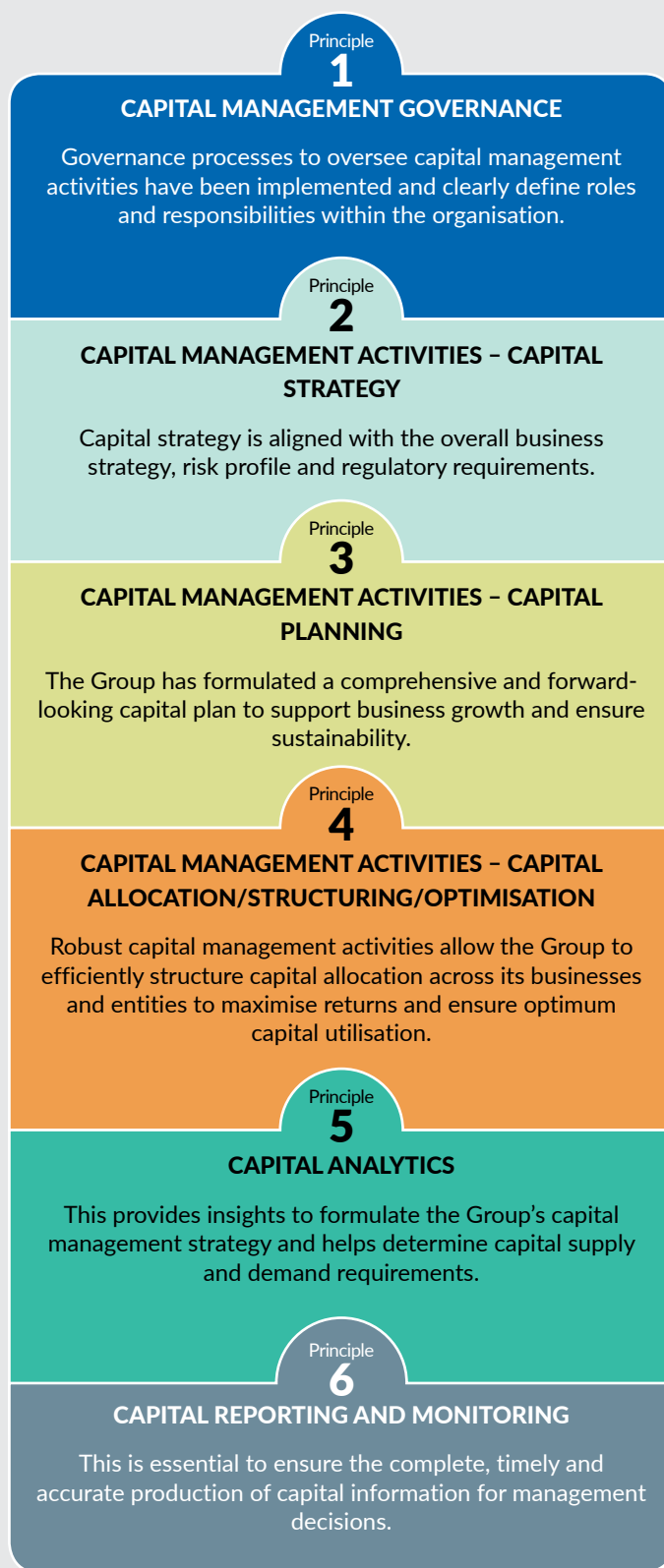
DISTRIBUTION OF VALUE ADDED



GROUP CHIEF FINANCIAL OFFICER'S REVIEW

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

GROUP CAPITAL MANAGEMENT FRAMEWORK



CAPITAL MANAGEMENT

Overview

The Group's capital management approach is focused on maintaining a healthy capital position to support its business growth while optimising returns to our shareholders at the same time. The capital structure and framework are designed to meet not only the regulatory requirements, but also to satisfy the expectations of the various stakeholders, including shareholders, investors and rating agencies.

To this end, the Group Capital Management Framework ("CMF") has been established to provide integrated oversight of our capital management activities. This oversight cuts across the risk, finance and treasury functions, bringing greater value to the business.

CAPITAL MONITORING AND PLANNING

Effective capital management is crucial to maintaining business sustainability. The Group manages its capital position proactively to meet regulatory requirements and the expectations of its various stakeholders, as well as to support its strategic business objectives.

The Group achieves these objectives via the annual Internal Capital Adequacy Assessment Process ("ICAAP"), through which we actively monitor and manage the capital position over a three-year horizon, involving the following critical activities:

- (i) Setting capital targets under both normal and stressed market conditions for all banking subsidiaries, both at Group and entity levels, taking into account anticipated future regulatory changes and stakeholder expectations;
- (ii) Forecasting capital demand for material risks based on the Group's risk appetite; and
- (iii) Determining the requirements for capital issuance and the maturity profiles of capital securities.

The Board Risk Committee ("BRC") and Group Capital and Risk Committee ("GCRC") are responsible for overseeing the capital planning and assessment process within the Group and for ensuring that the Group and its subsidiaries maintain an appropriate level and quality of capital consistent with the Group's overall risk profile and business strategy.

CAPITAL INITIATIVES DURING THE YEAR

The key capital initiatives undertaken in 2021 were as follows:

- (i) Basel III-compliant Tier 2 Subordinated Obligations amounting to RM500 million were issued by RHB Bank in April 2021; and
- (ii) On 25 May 2021, the establishment of a dividend reinvestment plan ("DRP") for RHB Bank was approved by the shareholders during the Annual General Meeting ("AGM"). The DRP provides the shareholders of RHB Bank with an opportunity to reinvest their dividends in RHB Bank's shares, in lieu of receiving cash. The shareholders also granted the authority to the Directors to allot and issue such number of DRP shares from time to time as may be required in respect of the dividend that may be declared and to be subject to the DRP as may be decided by the Board. The Board's authority to allot and issue DRP shares shall continue to be in force until the conclusion of the next AGM. Details of RHB Bank's shares issued under the DRP are disclosed in Note 34 of the Financial Statements.

CAPITAL ADEQUACY RATIOS

Minimum capital requirements

Under BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), all financial institutions are required to maintain a regulatory minimum Common Equity Tier 1 Capital ("CET 1"), Tier 1 Capital ("Tier 1") and Total Capital Ratio of 4.5%, 6.0% and 8.0%, respectively.

Capital buffer requirements

Financial institutions are required to maintain additional capital buffers, i.e. the Capital Conservation Buffer ("CCB") and the Countercyclical Capital Buffer ("CCyB"), over and above the regulatory minimum capital

ratios. The CCB is intended to enable the banking system to withstand future periods of stress and has been phased in since 2016 to reach a total of 2.5% in 2019.

The CCyB is the weighted average of the prevailing CCyB rates applied in the jurisdictions in which a financial institution has credit exposure. This buffer is intended to protect the banking sector as a whole from the build-up of systemic risk during an economic upswing when aggregate credit growth tends to be excessive. Application of the CCyB above the minimum capital ratios is in the range of 0% to 2.5%. The CCyB has not yet been announced, and BNM will communicate any decision on the CCyB rate up to 12 months before the date from which the rate applies.

On 5 February 2020, BNM issued a policy document on the Domestic Systemically Important Banks ("D-SIBs") Framework that sets out the assessment methodology to identify D-SIBs in Malaysia and the relevant reporting requirements. Financial institutions designated as D-SIBs are required to maintain higher capital buffers to meet regulatory capital requirements that include a Higher Loss Absorbency ("HLA") requirement.

Pursuant to the D-SIBs Framework, the applicable HLA requirement ranges from 0.5% to 1.0% of risk-weighted assets, at the consolidated level. The HLA requirement for designated D-SIBs came into effect on 31 January 2021. RHB Bank is not identified as a D-SIB pursuant to the latest D-SIB listing published in BNM's Financial Stability Review for First Half 2021.

The table below provides the relevant capital ratios of the key regulated banking entities of the Group, all of which are well above the minimum regulatory requirements.

As At 31 December 2021	RHB Banking Group	RHB Bank	RHB Islamic Bank	RHB Investment Bank Group	RHB Investment Bank	Minimum Regulatory Ratio ^{N1}
Before dividends:						
CET 1 Ratio	17.831%	16.094%	17.635%	35.348%	29.319%	7.000%
Tier 1 Ratio	17.831%	16.094%	17.635%	35.376%	29.319%	8.500%
Total Capital Ratio	20.455%	19.083%	20.780%	40.666%	40.027%	10.500%
After dividends:						
CET 1 Ratio	17.200%	15.220%	16.849%	33.044%	24.231%	7.000%
Tier 1 Ratio	17.201%	15.220%	16.849%	33.071%	24.231%	8.500%
Total Capital Ratio	19.825%	18.210%	19.994%	38.361%	34.938%	10.500%

^{N1} Including Capital Conservation Buffer of 2.50%.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

BALANCE SHEET MANAGEMENT

Overview

Balance sheet management aims to optimise returns and minimise costs through effective asset and liability management. It entails regular review, monitoring and in-depth analysis of balance sheet positions to achieve the desired business growth and maximise shareholders' returns, against the backdrop of the changing regulatory environment and competitive economic and business landscape.

The synergy among all business and functional units across the Group is essential in driving and shaping the optimal balance sheet position of the Group through agreed strategies. The overarching strategies are reviewed and deliberated by the Group Asset and Liability Committee ("GALCO"), where conscious considerations are made with respect to the risk appetite of the Group. Therefore, it is vital to have a cohesive strategy driven by the business and functional units to achieve effective balance sheet management.

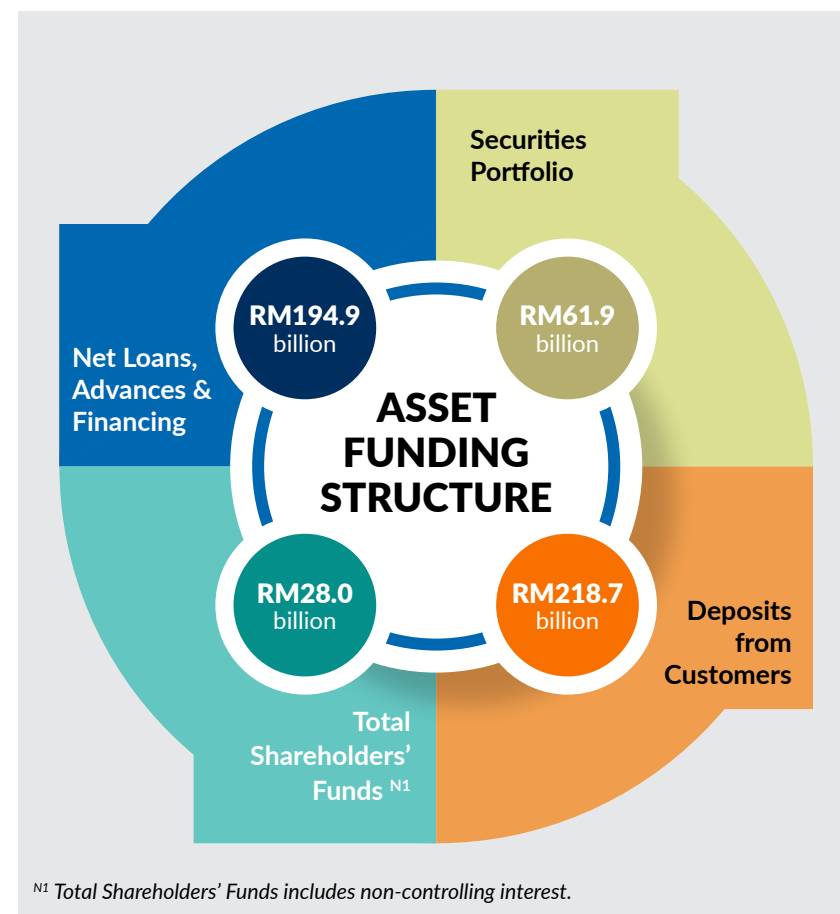
BALANCE SHEET STRUCTURE

The foundation of RHB's balance sheet is built on shareholders' equity, long-term debt and core customer deposits. The strategies on funding, acquisition and product mix are reviewed regularly to ensure sustainability as well as cost-efficiency. The continuous efforts of and collaborations between various businesses have resulted in Group Customer Deposit growth of +7.5% year-on-year (December 2020: 6.8%), while cost of deposit reduced 15bps.

Diversification of deposit and funding sources has been our ongoing long-term strategy. Deposit acquisition from retail and wholesale businesses is managed through our strong relationships with customers and our increasing focus on digital channels.

Our stable deposit base and long-term debt are the primary sources of funds to support asset growth. Through strategic balance sheet management, the Group's total net loans, advances and financing increased by RM12.5 billion to RM194.9 billion as at end-2021. The loan growth was achieved and managed with careful consideration as the Group placed greater emphasis on credit quality given the benign economy in 2021.

The table below shows the asset funding structure as at 31 December 2021.



Despite the new challenges in 2021, the Group maintained its resilience through the Agile way. Our solid foundation, insightful analysis and vigilant monitoring of balance sheet management, together with our agility to embrace changes, enabled us to achieve the goals determined in the FIT22 strategic plan.

Aside from building on the successes achieved through FIT22, focus areas have been identified to further improve our strengths and market standing. These include, among others, increasing the composition of retail deposits, deepening the market share of Mid-cap and Small-cap businesses, emphasising cost-efficiency and closing the risk and compliance gap.

NIK RIZAL KAMIL
Group Chief Financial Officer

REGIONAL MARKET LANDSCAPE

DR. SAILESH KUMAR JHA
Group Chief Economist



ALEXANDER CHIA
Head, Regional Equity Research, RHB Research



MALAYSIA

ECONOMIC REVIEW

Malaysia's Gross Domestic Product ("GDP") registered a 3.1% year-on-year growth in 2021 from a contraction of 5.6% in 2020. While there was positive economic growth, part of the improvement was the result of the low base effect, which contributed to record growth numbers, especially in the second quarter of 2021. Throughout the year, the economy experienced a series of contractions and expansions as the government tightened and eased movement restrictions as it sought to safeguard lives and livelihoods on the back of the COVID-19 pandemic.

Private consumption took the largest hit as a result of the multiple lockdowns. In January, amid rising cases, the government imposed the second Movement Control Order ("MCO 2.0"). The measures restricted movement and businesses operations, which led to reduced consumer spending and a rise in unemployment. Consumer spending did rebound in the subsequent months as restrictions were progressively relaxed in tandem with a series of economic stimulus packages. However, the government imposed a tighter lockdown, the Full Movement Control Order ("FMCO"), in late May as the country faced another wave of infections due to the highly transmissible Delta variant. It was only towards the later part of the third quarter of 2021 when stronger consumption recovery took place as the country achieved high vaccination rates,

therefore enabling the government to adopt a more consistent and predictable easing of restrictions.

On the investment front, performance was mixed as movement restrictions generally slowed the execution of projects or business expansion. While capacity utilisation was high in the beginning, which prompted businesses to invest in capacity expansion, progress was slow due to the multiple lockdowns, although we did note improvements in this area towards the latter part of the year. Similarly, despite the high development expenditure allocation, public investment was affected as the rollout of public projects was somewhat dampened by builders having to observe COVID-19 SOPs where limits on the number of workers disrupted productivity.

While the domestic economy suffered, exports performed well throughout the year, supported by a combination of high global demand as well as rising commodity prices. The benefits were mostly accrued to sectors such as electrical & electronics, chemicals and pharmaceuticals, as well as palm oil and oil & gas-related industries. Meanwhile, dampened consumer demand weakened imports, causing the country to record a huge trade surplus. As a result, the external-oriented sectors provided a cushion to the economy even as the country grappled with challenges on the domestic side.

ECONOMIC OUTLOOK

For 2022, we expect the economy to register GDP growth of 5.5% year-on-year. Private consumption is projected to be the main driver due to several factors. First, the pent-up demand following the easing of restrictions in the latter part of 2021 is likely to continue into the early part of 2022. This will be further supported by the excess savings that were accumulated throughout the lockdown periods. On the fiscal side, measures including cash handouts, tax breaks to the auto sector and various forms of support given to vulnerable groups should be positive for consumption. Lastly, the drop in the unemployment rate in the second half of 2021, which will continue into 2022, will also add to a sustained consumption recovery path.

On the external side, elevated commodity prices will continue to benefit the economy through positive terms of trade. In addition, a recovery in global growth powered by the US and major emerging economies is expected in early 2022. Overall, robust global demand is expected to continue to propel export growth.

On monetary policy, we expect Bank Negara Malaysia to keep interest rates accommodative throughout most of the year. Rate normalisation is likely to happen only when consumption stabilises and economic growth is more entrenched and broad-based. In our view, this will happen in the second half of 2022.

Downside risks for the economic outlook going forward include the prolonged supply constraints that limit production growth; China-related issues, including pandemic-induced factory shutdowns and weakening demand; higher inflation caused by higher-than-expected increases in commodity prices; and a premature pullback of monetary and fiscal support.

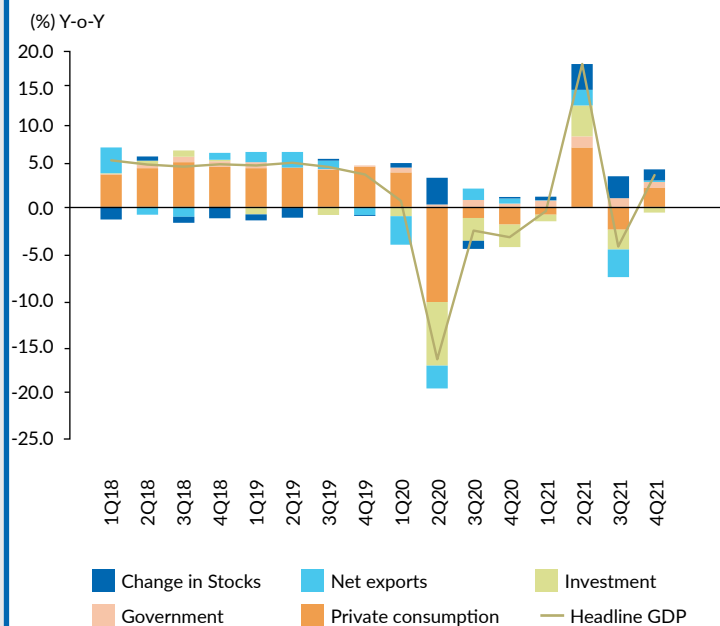
REGIONAL MARKET LANDSCAPE

REGIONAL MARKET LANDSCAPE

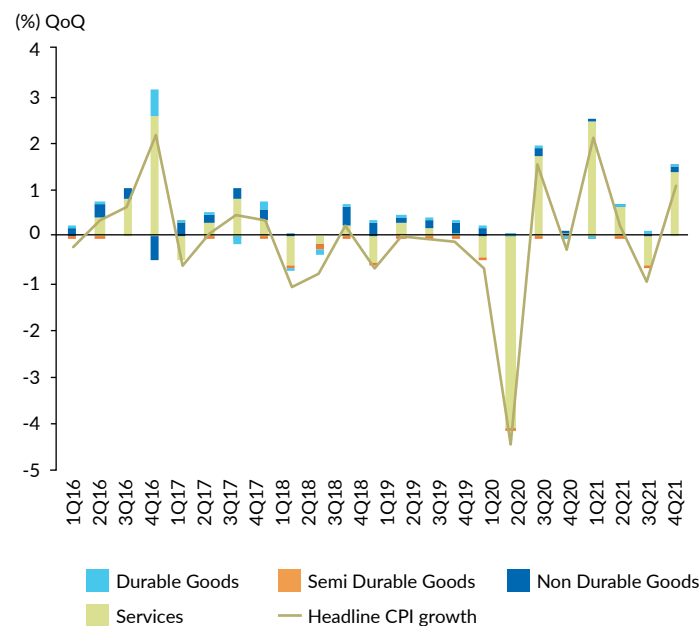
MALAYSIA

ECONOMIC OUTLOOK

CONTRIBUTION TO GDP GROWTH (DEMAND SIDE)



CONTRIBUTION TO QoQ CPI GROWTH



BANKING SECTOR REVIEW & OUTLOOK

The banking sector continued to play an important role in facilitating financial support to individuals and businesses in the wake of the FMCO that was imposed by the government on 1 June 2021. The government announced a range of financial assistance including an opt-in six-month moratorium, and later in the year, the Financial Management & Resilience Programme ("URUS") to help B50 borrowers.

Banking system loan growth decelerated rapidly between June and August 2021, impacted by the nationwide lockdown. The moderation in loan growth to 2.49% year-on-year in August 2021 was mainly due to very weak demand from businesses. However, the gradual relaxation of mobility restrictions in September saw a healthy rebound in system loans growth to 4.50% year-on-year in December 2021. Residential mortgages remained the key growth driver for the household segment, rising 6.76% year-on-year in December 2021, while auto loans increased by a modest 1.16% year-on-year as sales were impacted by lockdown measures and parts shortages. Within the business segment, working capital loans were up 7.13% year-on-year, outpacing growth in system loans. Growth in corporate bond issuances moderated to 5.49% year-on-year in 2021 (2020: 6.52%).

Banking system average lending rate ("ALR"), which declined on the back of the 125bps reduction in Overnight Policy Rate ("OPR") in 2020, was relatively stable between April and December 2021 with the policy rate unchanged at 1.75% since July 2020. Along with the relatively

stable ALR, banking system deposit rates had also been stable over the same period. That said, the strong 10.9% year-on-year growth in CASA deposits helped to lower banks' funding costs.

Banking system asset quality remained resilient in 2021, helped by various support measures. The banking system Gross Impaired Loan ratio eased to 1.44% in December 2021 (2020: 1.56%) from a year high of 1.67% in July and August, as state borders reopened in October and economic activities regained momentum. Still, banks continued to set aside additional provisions against potential credit losses. Provisions rose to a multi-year high of 1.86% of total loans in December 2021 compared with 1.69% a year ago. Overall, banks remained well capitalised with banking system CET 1 ratio at 15.2% in December 2021 (2020: 14.8%).

The COVID-19 pandemic will remain a near term uncertainty for the Malaysian economy but should be more manageable given the high vaccination rates, with approximately 78% of the entire population fully vaccinated as at end-2021. We believe stronger GDP growth in 2022 will spur broad-based demand for loans, resulting in moderately stronger loan growth. We expect Net Interest Margins ("NIM") to be stable to slightly lower for the most part of 2022 before policy rate hikes help lift NIM prospects from late-2022. The improving economic outlook should also have a positive impact on asset quality, leading to further decline in gross non-performing loan ratio.

SINGAPORE

ECONOMIC REVIEW

The Singapore economy rebounded by 7.2% year-on-year in 2021 from the pandemic-induced contraction of 5.4% in 2020. By reaching the fully vaccinated threshold of 80% for its population by August 2021, the city-state was the fastest among its regional peers to gradually loosen restrictions and spur economic activities. Coupled with recovering global demand, the manufacturing sector benefited from the early resumption in economic activities, with particularly strong performance in the production of semiconductor-related components. Recovery in the services sector was mixed as the external and modern industries outperformed performance from the domestic-oriented sectors. Excluding the low base effect, the construction sector was the slowest to recover as activities were weighed down by labour and supply constraints.

Meanwhile, mobility for retail and recreational activities steadily increased throughout the year, which inadvertently led to modest improvements in retail sales performance for the year. In terms of the labour market, the unemployment rate remained above the pre-pandemic average of around 2%, registering at 2.4% at end-2021,

given that industries were still on the mend. On trade, recovering global demand contributed to export numbers, with 19.1% year-on-year growth for 2021. Resilient performance by semiconductor-related exports as well as oil-related exports, amid high oil prices, boosted overall exports performance for the year.

The Monetary Authority of Singapore ("MAS") tightened its monetary policy in October 2021 by raising the slope of the Singapore Dollar Nominal Effective Exchange Rate ("S\$NEER") policy band slightly while keeping the width and level at which the policy band is centred unchanged. In a surprise inter-meeting policy move on 25 January 2022, the MAS raised the rate of appreciation path of the S\$NEER policy band slightly. These pre-emptive moves were to address rising inflation concerns. Annual Consumer Price Index ("CPI") inflation for 2021 increased by 2.3% year-on-year on average, while within the same period, core inflation increased 0.9% year-on-year. This was up from annual CPI inflation and core inflation prints of -0.2% year-on-year in 2020.

ECONOMIC OUTLOOK

For 2022, we expect GDP to register at 4% year-on-year. Pent-up demand should contribute to a pick-up in consumption and investment as the economy continues with recovery after a slight break in the fourth quarter of 2021. Higher level of growth is also anticipated to be driven by strengthening employment as the slack in the labour market is absorbed, thus supporting domestic spending. Moreover, as the city-state eases border restrictions for more countries, visitor arrivals should steadily pick up, leading to a much-needed boost in the tourism and hospitality-related industries.

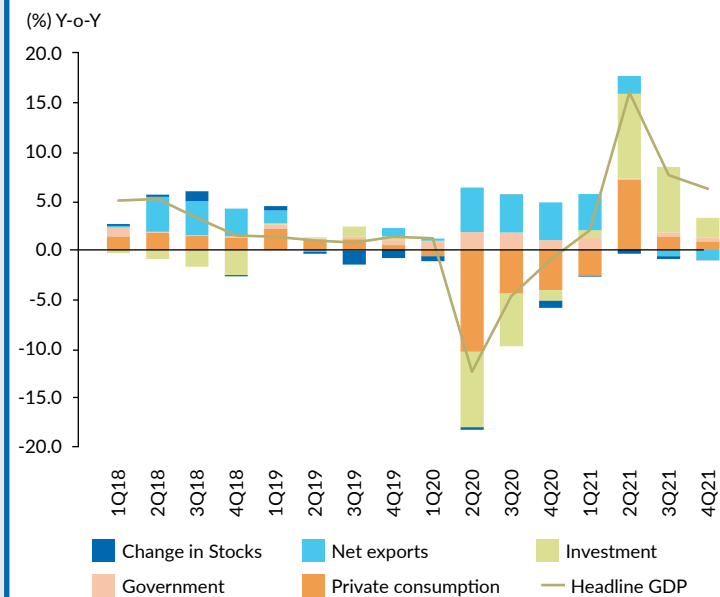
Strengthening external demand is anticipated to support sustained export growth for the year. Exports are expected to remain strong in the electronics sector given the resilient global electronics cycle and continuous demand from the 5G market. Momentum for oil-related

exports is likely to persist through the first half of 2022 as commodity prices are anticipated to remain elevated.

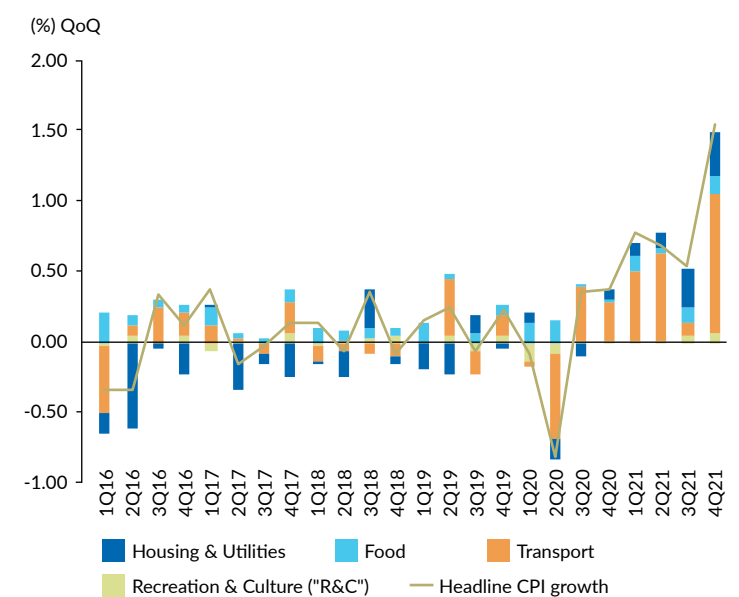
Inflation is expected to see a broad-based pick-up amid rising import and labour costs. Lingering supply constraints amid recovering demand will push up cost-push pressures in the next few quarters. Moreover, a rise in wage growth as the labour market recovers may give rise to business costs, which may lead to higher consumer prices.

We expect the MAS to maintain the current appreciation path in the April 2022 monetary policy meeting. However, this is given that core inflation remains within the current target, which is between 1% and 2% in 2022. Adjustments may be made in tandem with recovery performance to tighten the policy rate further in the second half of 2022.

CONTRIBUTION TO GDP GROWTH (DEMAND SIDE)



CONTRIBUTION TO QoQ CPI GROWTH



REGIONAL MARKET LANDSCAPE

SINGAPORE

BANKING SECTOR REVIEW & OUTLOOK

The Singapore banking sector continued to support and facilitate the government's various relief schemes to businesses and individuals impacted by the pandemic. Relief measures had been provided since April 2020, and extended until the end of September 2021. There have since been indications that both households and businesses are recovering as applications and take-up rates for relief schemes declined towards the later part of 2021. This suggests that most borrowers who applied for the initial relief are now able to resume loan repayments.

Overall credit growth declined over the first quarter of 2021 before recovering to reach an estimated 9% year-on-year in December 2021. The pick-up was largely driven by non-bank lending as economic prospects improved on the moderation in new COVID-19 infections in Singapore and regional countries. The Singapore banking sector also continued to maintain strong capital and liquidity buffers throughout the pandemic.

Banking system overall Non-Performing Loan ("NPL") ratio remained low at 2.2% in 3Q21 although NPL ratio for the transport & storage sector stayed elevated, mainly due to NPLs from oil and gas firms that had built up following the collapse in oil prices in 2020. Total provisioning coverage and specific provisioning coverage for the banking system stood at 99.7% in the third quarter of 2021.

The Omicron variant that emerged in late-2021 is likely to temporarily dampen specific sectors but is not expected to derail the ongoing economic recovery in Singapore and globally. We believe Singapore system loan growth will continue to increase at a healthy pace, although moderating from the high single-digit increase in 2021 as the low base effect wears off. NIM prospects are improving as persistent inflation pressures point to an imminent interest rate upcycle by major central banks. Asset quality, which was resilient in 2021, will remain solid in 2022 notwithstanding the uneven economic recovery.

THAILAND

ECONOMIC REVIEW

Thailand registered economic growth of 1% year-on-year for 2021, up from -6.2% year-on-year in 2020. The emergence of the third wave of infections in April 2021 was particularly devastating to the much-anticipated recovery for the year given the imposition of strict, nationwide restrictions. Mobility decreased substantially, which resulted in the decline in consumption and business activities for much of the second and third quarters of 2021. Moreover, the delay in the procurement of vaccines for the national vaccination programme caused a setback in economic recovery, particularly in the domestic-oriented and tourism sectors. Improvements in containing the spread of the virus and the gradual easing of restrictions, as well as the reopening of borders in the fourth quarter of 2021, have somewhat brightened the year's overall bleak performance for domestic demand and the tourism industry.

Nonetheless, resilient exports performance has provided significant support to the economy, on the back of recovering global demand and the depressed Thai Baht. Manufacturing exports such as automotive parts, electronics and machinery have remained robust throughout the year while elevated commodity prices have benefited exports of oil-related and agricultural products.

CPI inflation printed 1.2% year-on-year in 2021 versus -0.8% year-on-year in 2020, given the slack in the economy and provision of relief measures to reduce the cost of living throughout most of the year. The government has earmarked around THB1.5 trillion in borrowings to finance fiscal assistance. Moreover, the debt limit has been temporarily increased from 60% to 70% to give the country extra fiscal headroom. As such, the Bank of Thailand ("BoT") has kept its policy rate unchanged at a record low of 0.5% for 2021 to support ongoing government fiscal measures.

ECONOMIC OUTLOOK

In 2022, we expect GDP growth of 4.1% year-on-year on the back of pent-up demand and a revival in the tourism sector. Domestic demand is expected to improve as the vaccination rate increases and restrictions loosen further, leading to a rise in mobility in economic and business activities. Pent-up demand should also spur consumption activities while fiscal support from the government is expected to continue, especially for affected sectors. The tourism industry is also anticipated to see an increase in the number of foreign visitors as the country reopens its borders. Nonetheless, recovery in visitor arrivals for the year is still anticipated to be subdued relative to the pre-pandemic average.

On trade, we anticipate exports momentum to remain resilient amid the recovery in global demand, particularly in the semiconductor industry. Moreover, exports of services should register a pick-up in growth given the gradual revival of the tourism sector.

Inflation is expected to grow at 1.5% year-on-year with risks leaning on the upside. Demand-pull pressures from the increase in wage cost may arise amid improvements in the labour market. As for cost-push pressures, the impact from the global supply chain disruption is anticipated to be prolonged well into 2022, pushing up the import costs for producers, which may seep through consumer prices in 2022.

We expect the BoT to maintain its 0.5% policy rate in 2022 as economic recovery remains susceptible to external and domestic risk of a resurgence of the pandemic. However, the higher vaccination rate should mitigate a repeat of last year's severe resurgence in infections. Fiscal measures from the government are seen to be the main tool to bolster economic growth for the year.

CAMBODIA

ECONOMIC REVIEW

The COVID-19 pandemic continued to disrupt the Cambodian economy in 2021 as outbreaks resulted in the country being put under movement restrictions for most of the second and third quarters of 2021, subduing the potential economic recovery.

The Cambodian government responded quickly to the health crisis with measures to contain the spread of the virus and support livelihoods and affected businesses. The government rapidly redirected resources to healthcare and curbed spending on other budgetary items. It followed this up with loans and guarantees to affected small businesses that included tax breaks, wage subsidies and support for retraining workers, and implemented a system of cash transfers to vulnerable households.

The country's vaccination programme also progressed well, with Cambodia having one of the highest vaccination rates in the

region. As at 31 December 2021, 13.66 million or 81.7% of its total population have been fully vaccinated.

GDP growth was estimated to recover from the 3.1% contraction in 2020 to positive growth of 2.2% in 2021 on the back of improved external demand, particularly for garments and footwear. Exports of agriculture products and other non-garment products, such as bicycle and electronic components, also experienced strong growth in 2021.

Although public finances came under pressure as a result of the hefty spending on social support and economic stimulus, Cambodia's public debt risks remained low. Inflation was well contained at below 3% and the exchange rate was relatively stable with the Khmer Riel depreciating within the 2% band against the USD throughout the pandemic, owing to the central bank's intervention measures.

ECONOMIC OUTLOOK

Cambodia's vaccination success set the stage for the authorities to gradually loosen domestic COVID-19 restrictions and to allow most economic sectors to reopen by the third quarter of 2021. By November 2021, Cambodia had reopened its international borders to vaccinated visitors, making it one of only two countries in ASEAN - the other being Thailand - to have done so. Despite the emergence of the new COVID-19 Omicron variant, Cambodia has remained open ever since without a notable increase in domestic cases.

Economic growth is forecast at 5.1% in 2022 and is likely to gradually improve to pre-crisis levels of around 7% in the medium term. Growth will be driven by external demand, fuelled by buoyant recoveries in the US, China and Europe. The Cambodia-China Free Trade Agreement, which came into effect on 1 January 2022, is

widely expected to boost foreign investments and exports to China. Tourism is assumed to take more time to recover to pre-crisis levels and therefore near-term growth is dependent on manufacturing and other services. Growth in construction and real estate is expected to remain subdued due to the apparent short-term oversupply in commercial and residential properties.

Future economic growth depends heavily on how the pandemic situation evolves. Faster containment of the virus in Cambodia and other countries will facilitate the resumption of tourism while slower progress will damage growth prospects. Inflation is expected to remain well contained. With growth below potential, overall inflation is projected to continue at around 3% throughout the medium term.

BANKING SECTOR REVIEW & OUTLOOK

Early in the COVID-19 crisis, the National Bank of Cambodia introduced measures to improve liquidity and to facilitate loan restructuring. Several measures were directed to increasing liquidity in the banking sector, such as the lowering of required reserves ratios and interest rate cuts on Liquidity Providing Collateralised Operations ("LCPO") and on Negotiable Certificates of Deposit, which is the collateral for LPCOs.

The policy on loan restructuring that was introduced in May 2020 has been extended twice in 2020 and 2021 and is set to end in June 2022. The latest extension granted in December 2021 also prescribed criteria for the classification of loans that had been restructured. As at 31 December 2021, loans restructured under the National Bank of Cambodia's relief programme amounted to

USD5.5 billion (KHR22.4 trillion), representing close to 12% of the total loans in the banking industry.

In 2021, the National Bank of Cambodia ("NBC") requested banks to run stress tests on the restructured portfolio to assess the extent of the provisioning shortfall with respect to the pre-COVID-19 regulatory environment and assess existing capital buffers. System-wide financial indicators notionally remained robust as the solvency ratio for bank and micro-finance institutions ("MFIs") remained well above the regulatory threshold at 23.4% and 21.3%, respectively.

Banking sector growth continued to be resilient amid the pandemic. In 2021, assets grew by 16% whereas loans and deposits grew by 21.5% and 15.4%, respectively. Non-performing loans were at 2.4% for both banks and MFIs.

ENGAGING WITH STAKEHOLDERS

ENGAGING WITH STAKEHOLDERS

RHB defines stakeholders* as groups who affect and/or could be affected by the Group's activities, products or services and associated performance.

The Group takes an inclusive and systematic approach to engaging with our various stakeholders to better understand and respond to their needs and concerns. Engaging with stakeholders also influences our materiality matters as well as decision-making processes which in turn, will enable us to address gaps and manage stakeholders' expectations better.

ENGAGEMENT FREQUENCY

F1 Annually	F3 Monthly	F5 Periodically	F7 Ongoing
F2 Quarterly	F4 Weekly	F6 As and When Required	

* The Group refers to Bursa Malaysia's Sustainability Reporting Guide (2nd edition) and AA1000 Stakeholder Engagement Standard 2015 to identify key stakeholders.

SHAREHOLDERS AND INVESTORS

We provide our shareholders and investors with relevant information in order to make informed investment decisions on RHB as well as share with them our financial performance and the Group's strategic direction.

Material Matters:
Sustainable Financing, Good Business Governance, Dynamic Regulatory Landscape

Engagement Platform	Stakeholder Concerns/Expectations	RHB's Response To Concerns/Expectations
<ul style="list-style-type: none"> F1 F6 • Annual and Extraordinary General Meetings • Meetings and briefings with analysts and fund managers F1 • Annual Reports/Integrated Reports F1 • Sustainability Reports F6 • Bursa Malaysia announcements F2 • Quarterly and annual financial results announcements F6 • Online communications (email, corporate website, social media) F6 • Periodic meetings/discussions F6 • Roadshows, conferences and round table discussions 	<ul style="list-style-type: none"> • Resilient revenue growth and cost management • Asset quality and management of credit risk • Approach to and progress in sustainability or ESG, which include integration of climate-related risks into risk management processes • Ethical and responsible business conduct and practices • Corporate governance • Dividend policy and payout • Measures to mitigate effects of the pandemic • Financial assistance available to customers, exposure to vulnerable segment and impact on the Group's profitability • Progress on FIT22 strategy and the Group's digital transformation journey • Community development 	<p>Ensuring Strong Corporate Governance</p> <ul style="list-style-type: none"> • Putting in place robust governance policies, ensures adequate management and Board oversight. • Committed to transparent and accurate disclosure and reporting. • Appointment of five Independent Non-Executive Directors and one Senior Independent Non-Executive Director to RHB Bank Berhad's Board. <p>Sustainable Business Growth Amid Challenges From the Pandemic</p> <ul style="list-style-type: none"> • Ensuring the Group's readiness in responding to the impact of the economic slowdown due to the pandemic, through digitalisation of customer journeys, transforming credit risk management and readying the workforce for the future. • Remaining prudent and continuing to set aside pre-emptive provisions to cater for potential adverse impacts on asset quality. • Providing continuous updates on the Group's exposure to vulnerable segments for both retail and non-retail segments. • Ensuring business continuity, the health and safety of our employees and continuous support to our customers during the pandemic. <p>Providing support to customers through moratorium and payment assistance programmes.</p> <p>Enhancing Sustainability Approach</p> <ul style="list-style-type: none"> • Reviewing and refreshing the Group's existing Sustainability Framework to ensure continued relevance, and establishing a new 5-year (2022-2026) Sustainability Strategy and Roadmap. • Kickstarting the Group's Climate Action Programme towards enhancing the Group's climate risk management practices and identifying commercial opportunities. • Promoting financial inclusion and access through various products and services. <p>Keeping Stakeholders Informed</p> <ul style="list-style-type: none"> • Quarterly engagement with Analysts on the Group's financial performance, progress of FIT22 strategies, key sustainability achievements and financial assistance to customers during the pandemic. • Sharing the progress of the Group's Digital Transformation journey through RHB's Digital Day.

CUSTOMERS

A key winning formula that differentiates us from our competitors is our capability in building trust, delivering convenience and creating value for our customers. We interact with customers to better understand their requirements so that we can propose the right financial solutions for them.

Material Matters:
Financial Inclusion and Education, Customer Relationship Management, Fair Treatment of Financial Consumers, Data Protection and Cybersecurity, Digitalisation and Investment in Technology

<ul style="list-style-type: none"> F6 • Online and digital communications (email, corporate website, social media) F6 • Customer networking events F5 • Surveys (post-service, post-transactions, post-complaint resolution, overall customer experience surveys, touchpoint surveys, product surveys, etc.) F5 • Focus groups and service design engagement F7 • Seminars and forums F7 • Interaction programmes F7 • Complaint resolution discussions and Customer Advocacy F7 • Relationship Manager engagements F7 • Physical communication (letters, notices, etc.) F7 • Feedback channels (efeedback**, customer.service@rhbgroup.com, customer.advocacy@rhbgroup.com) F6 • Service Clinics • Branches, Sales & Service Centres, Call Centres F7 • Sales and Service Visits 	<ul style="list-style-type: none"> • Fair treatment and fair conduct of business dealings • Personalised financial advice and solutions with quick and convenient banking options • Cybersecurity and having a safe environment in which to conduct banking activities • Accessibility to banking services during the pandemic • Availability of payment assistance programme to assist customers affected by COVID-19 • Safety at branches and sales centres 	<p>Delivering Sustainable Customer Solutions Through Fair Treatment and Service Excellence</p> <ul style="list-style-type: none"> • Ensuring products and services are delivered in line with BNM's Fair Treatment of Financial Consumers ("FTFC") Policy. • Strengthening digital propositions to deliver enhanced customer experiences and financial accessibility. • Driving service excellence through the RHB Way Service Culture, an initiative that focuses on improving overall customer experience through its people, process, technology and products, as seen in higher RHB MY Group Net Promoter Score (achievement of +15 in 2021, +2 points higher than in 2020). • Simplifying customer communication materials and content by using simple language and minimising legal and technical jargon. • Making it easier for customers to contact RHB by improving accessibility to existing channels and developing more platforms as options to access RHB for assistance and support. <p>Safeguarding Customer Privacy and Data Protection</p> <ul style="list-style-type: none"> • Subscribing to Third Party IT Security Risk Rating Services as part of enhancing third party due diligence process. • Organising mandatory IT security awareness training for employees and expanding the training programme to include Board members and third parties to ensure all employees understand their role in protecting customer information and dealings. • Achieving ISO/IEC 27001 Information Security Management Systems recertification of our core e-Banking and transaction systems. • Implementing End Point Detection and Response ("EDR") tool to detect and stop malicious activities on desktops and laptops. • Providing continuous updates of Indicator of Compromise ("IoC") on security solutions (e.g. Intrusion Prevention System, Secure Email Gateway) to detect and block abnormal activities. <p>Providing Financing Assistance During the Height of the Pandemic</p> <ul style="list-style-type: none"> • Repayment Assistance was at its peak in September 2020, with the initial moratorium outstanding balances amounting to RM107.1 billion or 66% of total domestic borrowings, for more than 753,000 customers. • Providing over RM20.3 billion in financial assistance to SMEs through loans and financing facilities in Repayment Assistance, including delivering the government's Special Relief Facility ("SRF") and Targeted Relief and Recovery Facility, as well as RHB's BizPower Relief Financing ("BRF") programme and Retailer SME Relief Financing programme. • Providing URUS, a development support programme. <p>Keeping Our Customers Safe</p> <ul style="list-style-type: none"> • Implementing strict SOPs to ensure safety of customers at branches, including limiting number of customers allowed into the premises at any one time throughout the pandemic situation. • Providing real-time digital queue system for branches via mobile app for customers to book their appointments ahead of time. • Encouraging online banking transactions via RHB Now and RHB Mobile App.
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** an online survey for customers to rate the service of a branch.

ENGAGING WITH STAKEHOLDERS

ENGAGING WITH STAKEHOLDERS

BUSINESS
PARTNERS

In driving business performance and delivering superior products and services to our customers, we engage with our business partners in strategic alliances to capitalise on mutually beneficial business opportunities in the market.

Material Matters:

Sustainable Procurement, Good Business Governance, Data Protection and Cybersecurity

Engagement Platform

- F6 • Company visits
- F7 • Formal & informal engagements
- F7 • Online communications (email, corporate website and social media)
- F7 • Tender process and supplier feedback mechanism
- F6 • Solution Co-Design Workshops
- F6 • Certification and immersion programme with industry leaders and experts

Stakeholder Concerns/Expectations

- User-friendliness of e-Procurement System
- Fair evaluation of vendor proposals
- New policies and guidelines that may affect vendors' performance
- Privacy and confidentiality
- Promptness of payment

RHB's Response To Concerns/Expectations

Providing Guidance and Support for Vendors and Suppliers

- Conducting engagement sessions covering topics on guidelines and procedures, sales and service tax, supplier performance, payment-related matters and contract renewal. These engagement sessions reiterate our commitment towards sourcing transparently and maintaining fair practices.
- Conducting training for vendors and suppliers on an annual basis, as part of the support infrastructure provided for RHB's network of suppliers.
- Establishing Sustainable Procurement policies supported by a robust procurement process to promote responsible and sustainable procurement practices.

Ensuring a Fair Procurement System

- Conducting visits to the office premises or sites of our Business Partners to gain a good understanding of our Business Partners' working environment and work culture, business continuity management and system infrastructure.
- Proposals from vendors are submitted digitally to ensure confidentiality and transparency, without the involvement of project owners.
- Proposals are evaluated fairly based on merit and against a set of clearly identified criteria.

Respecting Good Business Practices

- Payments will be made according to the Terms of Agreement, on or before due dates via digital transfer.

EMPLOYEES

We are committed to being a preferred employer with a highly productive, agile and engaged workforce that delivers exceptional service to customers while ensuring our employees' health, safety and well-being. Employee engagement is a critical driver of business success in today's competitive marketplace.

Material Matters:

Talent Management, Employee Training and Education, Employee Health, Safety and Wellness, Diversity and Equal Opportunity

- F7 • Intranet (My1Portal and MyLink2HR) and email
- F7 • RHB's internal social media channel, Workplace by Meta, and recognition via ThanksBot
- F7 • Social, sports and recreational activities
- F6 • Engagement sessions during festive seasons
- F1 • Annual Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey ("ICES")
- F7 • Formal and confidential grievance channel
- F7 • Formal meetings - GMD Chat Sessions and town halls conducted across the region
- F2 F6 • Senior Leadership Forum, GMD Live Session

- Employees' goals and objectives
- Rewards and recognition
- Sustainable engagement
- Work organisation
- Career development
- Learning and development
- Employees' safety and health
- Tools for employees to work remotely

Supporting the Professional Growth of Our People

- Establishing robust Employee Value Proposition programme to attract and retain talents.
- Reskilling/upskilling employees through various development interventions such as RHB Managers Programme and Future Skills Programme, with an investment amount of RM24.6 million.
- Established the Workforce of the Future ("WOTF") Programme to upskill and reskill employees towards more digital and customer-centric roles by enforcing manpower planning guidelines and establishing a specialised recruitment squad to increase talent in the Digital, IT and Analytics areas.

Ensuring Sustainable Engagement

- Conducting Employee Engagement Survey ("EES") on an annual basis to gauge employees' level of satisfaction and obtain feedback on areas for improvement. In 2021, the EES score was 90, on par with the industry norm.
- Conducting roadshows to share our strategic direction with our employees, locally and regionally, and via live updates on Workplace@Facebook by Meta for continuous engagement with employees.
- Conducting salary benchmarking exercise for comparison against the market and retention programmes.
- Conducting quarterly Senior Leadership Forums and Group-wide town halls to share with senior leaders the Group's financial performance and achievements and to provide status updates on key strategic initiatives via live updates.
- Continuous engagement with employees on their career progression through the quarterly one-on-one discussions on performance and annual discussions on career growth and development.

Upholding Health, Safety and Wellness During COVID-19

- Rolling out the improved and refined Employee Wellness Programme.
- Call-tree notifications on safety measures and precautions to adhere to.
- Regularly communicating updates on COVID-19 pandemic-related matters to keep employees abreast of latest developments in ensuring safety and health, via bimonthly GMD Live Sessions and Workplace@Facebook by Meta.
- Ensuring strict adherence to Standard Operating Procedures ("SOPs") within office and branch premises; allowing Work-From-Home ("WFH") arrangement; implementing split operations for key functions; allowing staff rotation at branches together with shorter operation hours; and driving COVID-19 vaccination rate to ~99% in Malaysia Operations by end-2021 by connecting with PPVs and also via paid vaccinations.

Reaching Out to Employees in Need

- Activating the RHB Humanitarian Fund to provide assistance to employees affected by COVID-19 and the floods.
- Providing various forms of assistance to employees impacted by the floods in December 2021, including providing temporary accommodation in RHB Bangi Hostel and financial relief, as well as organising volunteer programmes for employees to help their colleagues such as by distributing essential items and cleaning their houses.
- Allocating a total of RM100,000 to pay insurance claims on ex-gratia basis to employees whose vehicles and house contents were not insured against flood.

ENGAGING WITH STAKEHOLDERS

ENGAGING WITH STAKEHOLDERS

REGULATORY
AUTHORITIES &
POLICYMAKERS

We regularly engage with regulatory authorities on matters that impact our business and operations.

Material Matters:

Dynamic Regulatory Landscape, Risk Management, Climate Change, Good Business Governance, Fair Treatment of Financial Consumers, Sustainable Financing

Engagement Platform

- (F7) Regular updates and reporting to regulatory authorities
- (F6) Actively participating in and contributing to industry and regulatory working groups, briefings, forums, conferences and consultation papers
- (F7) Engaging with regulatory authorities to consult, update, share and seek directives on implementation of new products and services or initiatives, policies, decisions or regulatory frameworks

Stakeholder Concerns/Expectations

- Effective internal control measures
- Robust risk management practices
- Effective management of the Group's compliance with rules and regulations
- Balancing between preserving the stability of the banking system, the concerns of depositors and sustaining economic activity
- Efficient AML practices
- Integration of ESG matters, particularly climate change, into the Group's core business and operations
- Progress against Value-based Intermediation ("VBI")
- Good corporate governance
- Ethical and responsible business practices in line with FTFC policy
- Asset quality and management of credit risk
- Policies and procedures
- Clear, relevant and timely communication to customers

RHB's Response To Concerns/Expectations

Ensuring Strong Fundamentals

- Strengthening Board and Management oversight.
- Ensuring strong liquidity and capital levels to withstand potential shocks to the banking system, protect depositors and enable sustained economic activity.

ESG at the Fore

- Continuing to integrate ESG, including climate change considerations, into the Group's core business and operations.
- Continuing to drive commitment to green financing.
- Involvement in regulator-industry-led committees such as the Joint Committee on Climate Change ("JC3").
- Establishing a 5-year (2022-2026) Sustainability Strategy and Roadmap that underlines the Group's focus and commitment to the ESG agenda.

Upholding Robust Compliance Practices

- Strengthening compliance capabilities amid the continued challenges posed by the COVID-19 pandemic.

- Continuously improving and strengthening compliance functions, including implementing new measures and putting in place new systems and controls to enhance the Group's overall compliance risk governance.
- Ensuring continued compliance awareness among employees through designated training programmes.

Respecting Our Customers

- Embedding Fair Treatment of Financial Consumers principles and RHB Way's Tone of Voice into customer communications.
- Ensuring simplified language in contracts and banking documents.
- Continuous training for frontliners on customer service.
- Conducting customer service surveys to better understand customer expectations and areas for improvement. This is reflected in improved Net Promoter Score ("NPS"), which showed strong performance against industry.

COMMUNITIES

We actively engage with communities, including children and youth from the underprivileged and underserved segments.

Note: This stakeholder group includes NGOs and the media.

Material Matters:

Financial Inclusion and Education, Community Enrichment

- (F7) Collaboration and partnerships with non-profit organisations, associations or government organisations through RHB's community engagement initiatives
- (F7) Interaction and discussion with related government bodies and Non-Governmental Organisations ("NGOs")
- (F7) Online communications (email, corporate website and social media)
- (F7) On-ground community engagement activities
- (F7) Innovative digital platforms and mobile banking services to promote financial accessibility
 - Virtual media sessions and press releases

- Promotion of financial literacy despite restrictions on movement
- Opportunities for equal access to education, especially for the B40 communities
- Access to financing and access to basic banking services during the pandemic
- Empowerment of the underserved and underprivileged
- Integration of ESG matters into the Group's core business and operations
- Contributions to mitigate impact of COVID-19 and alleviate challenges post-natural disasters

Putting Education First

- Continuous implementation of the Money Ma\$ter Programme, a structured financial literacy programme that educates secondary and tertiary students on managing their finances.
- Conducting online tuition classes and educational sessions for targeted B40 students to ensure they were not left behind during the lockdown periods.
- Providing more than 3,600 laptops and 111 SIM cards to B40 students from 33 schools nationwide under the CERDIK programme.
- Nurturing and empowering children and youth from underprivileged segments through our RHB X-Cel Academic Excellence and RHB X-Cel Star Scholarship programmes.

Supporting Our Customers and Promoting Inclusivity

- Providing the Targeted Payment Assistance Programme 2021

- and Financial Management & Resilience Programme ("URUS"), for individuals impacted by the pandemic.
- Facilitating the disbursement of relief funds for SMEs such as the Special Relief Facility announced by Bank Negara Malaysia ("BNM").
- Promoting access to financing through digitalisation.

ESG at the Fore

- Reaffirming our approach to sustainability and integration of ESG considerations into our decision-making process and risk management practices.
- Identifying opportunities that will contribute to sustainable development and the transition to a low-carbon economy.

Engaging with the Media

- Organising virtual media sessions and sending emails to members of the media to allow information to be disseminated effectively.

FINANCIAL
INDUSTRY PEERS

With our financial industry peers, we pursue industry-wide improvements through discussions and consensus on financial industry matters.

Material Matters:

Risk Management, Good Business Governance, Sustainable Financing, Dynamic Regulatory Landscape, Climate Change, Customer Relationship Management

- (F7) **Industry committees:**
 - Association of Banks in Malaysia
 - Committee on Development of Capital and Money Markets
 - Committee on Consumer and Market Conduct
 - Fraud Risk Committee
 - Environmental, Social, and Governance ("ESG") Committee
 - Association of Islamic Banks in Malaysia
 - MyZakat Working Group
 - Value-Based Intermediation Community Practitioners
 - Association of Islamic Banking and Financial Institutions of Malaysia
 - Malaysian Investment Banking Association
 - Persatuan Insurans Am Malaysia
 - Bank Negara Malaysia
 - Joint Committee on Climate Change

- Impact of regulatory changes and climate change reporting initiatives by BNM
- Integration of ESG matters into the Group's core business and operations
- Customer experience
- Fraud risk
- Compliance matters
- Financial impact of the pandemic
- Financial impact of interest rate cuts

Industry Participation

- Involvement in regulator-industry-led committees such as Joint Committee on Climate Change ("JC3") and working groups such as Value-Based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") Sectoral Guide Working Group.
- Participate in round table discussions/forums on ESG matters and practices.
- Continuous discussions with our peers on the impacts of new policies and guidelines, as well as how to combat risks associated with fraud and money-laundering.

Assisting Customers

- Continuing to support individuals and customers impacted by the pandemic through Targeted Payment Assistance, which ended in June 2021, and URUS programme.
- Facilitating various forms of Repayment/Payment Assistance for retail and SME customers, including government-guaranteed schemes such as Business Recapitalisation Facility ("BRF"), Disaster Relief Facility ("DRF") 2022, High Tech Facility - National Investment Aspirations ("HTF-NIA"), and Targeted Relief and Recovery Facility ("TRRF"), as well as RHB BizPower/i Relief Financing facility.

OUR MATERIAL MATTERS



OUR MATERIAL MATTERS

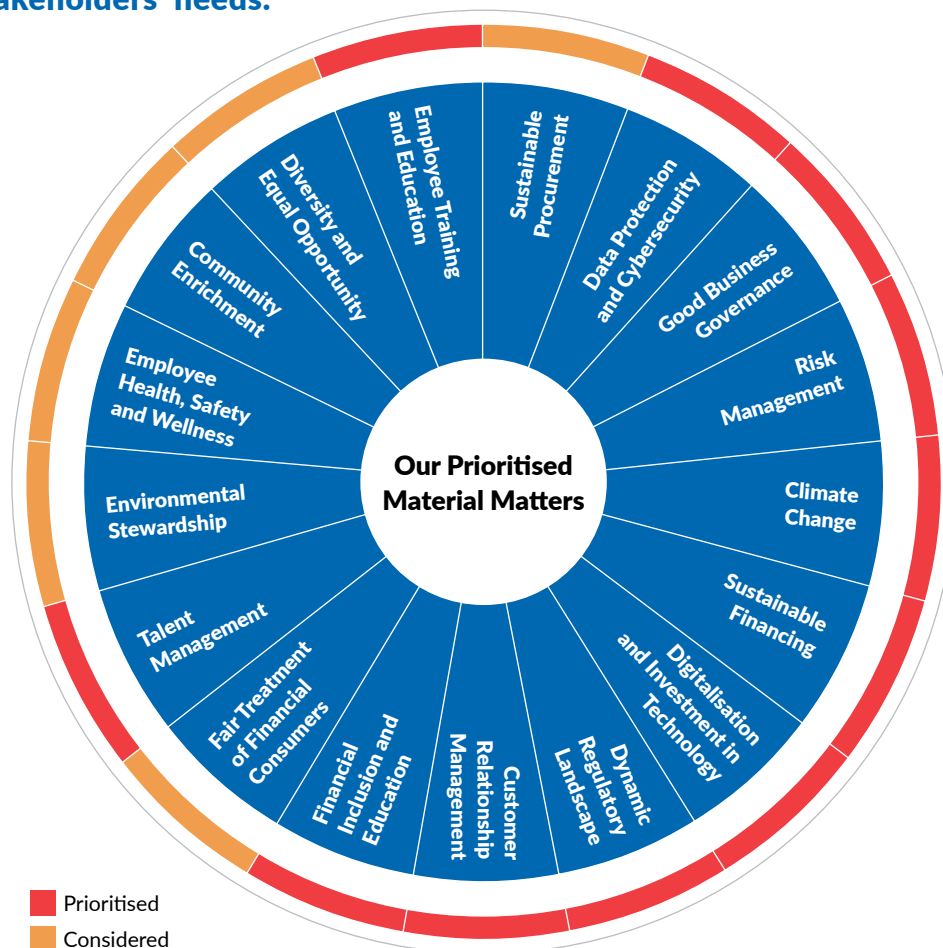
Material matters are issues that are most important to our business and stakeholders. They represent our ESG impacts and allow us to strengthen our sustainability agenda going forward. Assessing our material matters is integral to our journey of value creation as it enables us to identify opportunities and mitigate risks, besides meeting stakeholders' needs.

We conducted an in-depth materiality assessment, which was led by an independent consultant, to identify and understand the issues that matter most to RHB Banking Group and its stakeholders. The assessment involved a three-step process of Identification, Prioritisation and Validation & Approval, resulting in the final 17 material matters. Although initially assessed in 2018, these material matters are still relevant to us and our stakeholders¹, and support our new purpose statement of *Making Progress Happen For Everyone*.

Sustainability Management thereafter conducted internal annual reviews of our material matters by taking into account internal and external factors. These included issues and concerns raised through stakeholder platforms, the changing global and local landscape, emerging regulatory developments, peer assessments, ESG ratings and guidelines, as well as RHB's strategic, business and sustainability activities.

This ongoing process allows us to reassess our material matters, as shown in the infographic. In 2021, we conducted an internal review and aligned the material matters with our peers. As a result, we decided to remove Financial Performance as a separate item as this was embedded across all material matters.

We address and manage our material matters by leveraging our robust Sustainability Framework. The following table outlines what these matters mean to us at RHB and where they are mainly addressed under our Framework's Focus Areas.



■ Prioritised
■ Considered

Material Matters and How We Define Them	Sustainability Focus Area
Data Protection and Cybersecurity Putting in place a robust digital infrastructure, stringent controls and governance measures to protect customers' data privacy while continuously enhancing our cybersecurity capabilities to ensure a safe and secure environment.	<ul style="list-style-type: none"> • Ethics & Governance
Good Business Governance Upholding good business conduct that encompasses ethical business practices, regulatory compliance and active management of anti-bribery and corruption, fraud risk and anti-competition through strengthened policies and governance that will gain the trust of shareholders and stakeholders, leading to long-term value creation and sustainable business growth.	<ul style="list-style-type: none"> • Ethics & Governance
Risk Management Having effective risk management is fundamental in driving sustainable growth and key to the proactive risk management of our operating environment, including business continuity management. The Group Risk Management Framework sets out the strategic direction for the management of risks within the Group.	<ul style="list-style-type: none"> • Sustainable Financing • Ethics & Governance
Climate Change The Group acknowledges the position and role it plays in supporting the transition to a low-carbon economy in line with national and global commitments. We approach this through managing our own operational footprint, supporting and nurturing customers and clients in the transition to a low-carbon economy and seizing opportunities for climate adaptation and mitigation.	<ul style="list-style-type: none"> • Sustainable Financing • Environmental Stewardship

Material Matters and How We Define Them	Sustainability Focus Area
Sustainable Financing Integrating ESG considerations into the Group's core business activities and decision-making processes, including identifying related risks and opportunities that will contribute to sustainable development and the transition to a low-carbon economy.	<ul style="list-style-type: none"> • Sustainable Financing
Digitalisation and Investment in Technology Delivering and creating value for our customers. We identify opportunities and mitigate risks by investing in technology and channel improvements and delivering innovative products and services, while encouraging digital adoption among customers.	<ul style="list-style-type: none"> • Digitalisation
Dynamic Regulatory Landscape Responding swiftly and effectively to new developments in the market and the changing regulatory landscape. As a financial services provider, we consistently look at ways to strengthen our resilience in the face of increasing competition and to better combat new threats.	<ul style="list-style-type: none"> • Sustainable Financing • Customer-centric Banking • Ethics & Governance
Customer Relationship Management Delivering service excellence to our customers in line with our Customer Service Charter and striving to gain the trust and confidence of our customers, enabling them to achieve their goals.	<ul style="list-style-type: none"> • Customer-centric Banking
Financial Inclusion and Education Providing financial access and inclusion through various products and services, including promoting financial literacy to customers and the community, particularly to the youth and the underserved.	<ul style="list-style-type: none"> • Sustainable Financing • Digitalisation • Financial Education
Fair Treatment of Financial Consumers Treating our customers fairly in the conduct of our business, as well as providing them with accurate, adequate and easily understood information on products and services.	<ul style="list-style-type: none"> • Customer-centric Banking
Talent Management Continuing to foster talent development while embedding sustainability practices in the management of our human capital. To ensure long-term growth for our business, we manage our diverse workforce by optimising talent management and employee engagement.	<ul style="list-style-type: none"> • People & Workplace
Environmental Stewardship Advocating the responsible use of natural resources such as energy, water and paper and the minimisation of waste produced through sustainable practices. This includes encouraging eco-efficiency practices in our business and operations to minimise our own environmental impact.	<ul style="list-style-type: none"> • Environmental Stewardship
Employee Health, Safety and Wellness Ensuring the health and well-being of our employees is important to increase productivity and efficiency and to promote agility.	<ul style="list-style-type: none"> • People & Workplace
Community Enrichment Enriching and empowering local communities in which we operate, particularly the underprivileged and youth. This is driven by our community engagement initiatives and through the RHB Foundation.	<ul style="list-style-type: none"> • Community Enrichment
Diversity and Equal Opportunity Building a diverse and inclusive workplace and culture with equal opportunity and inclusivity across gender, age, ethnicity, disability and nationality.	<ul style="list-style-type: none"> • People & Workplace
Employee Training and Education Building a workforce that is future-proof, in order to stay relevant and agile while delivering the Group's strategic priorities. We do so by equipping our employees with the right set of development skills and tools to expand their professional growth and maximise their potential.	<ul style="list-style-type: none"> • People & Workplace
Sustainable Procurement Ensuring that our procurement practices are responsible, ethical, fair and transparent, reflecting the Group's commitment to promoting sustainable practices across its supply chain.	<ul style="list-style-type: none"> • Sustainable Procurement

¹ For more information on our 2018 materiality assessment, material matters and matrix, please refer to RHB Sustainability Report 2018.

OUR VALUE CREATING BUSINESS MODEL

OUR INPUTS

Our Inputs are managed with the aim of maximising the value that can be derived to deliver the best and most sustainable outcomes for the Group and its stakeholders.

Financial Capital is defined as the pool of funds available to the Group, consisting of:

Shareholder's Equity **RM28.0 billion**
Deposits from Customers **RM218.7 billion**

Intellectual Capital encompasses organisational and knowledge-based intangibles that can include intellectual property such as software or licences or proprietary knowledge, systems or procedures. For RHB, this includes:

- Agile@Scale initiative
- Digital tools, applications and software
- Strategic partnerships

Human Capital covers the skills and experience of all RHB employees that enable the Bank to deliver its strategy, innovative products and services to create value for stakeholders. For RHB, the key inputs for this include:

14,042 employees **RM24.6 million** invested in reskilling and upskilling in 2021

Manufactured Capital includes RHB's infrastructure, i.e. physical branches, data centres and equipment and digital technology, that facilitates the bank's services to customers.

362 branches and offices across **9** countries

1,757 self-service terminals in Malaysia which includes ATMs, Cash Deposit Machines, Cheque Deposit Machines, Cash Recycler Machines and Coin Deposit Machines

Our online and mobile banking platforms:

- RHB Now Internet Banking
- RHB MyHome App
- RHB Financing (SME) Mobile App
- RHB Reflex Online Banking
- RHB Tradesmart Online Trading
- RHB Online Insurance
- RHB Online Banking
- RHB Mobile Banking App
- RHB Partners App
- RHB SME Online Financing
- RHB Reflex Mobile App
- RHB TradeSmart Mobile App
- RHB Insurance Mobile App

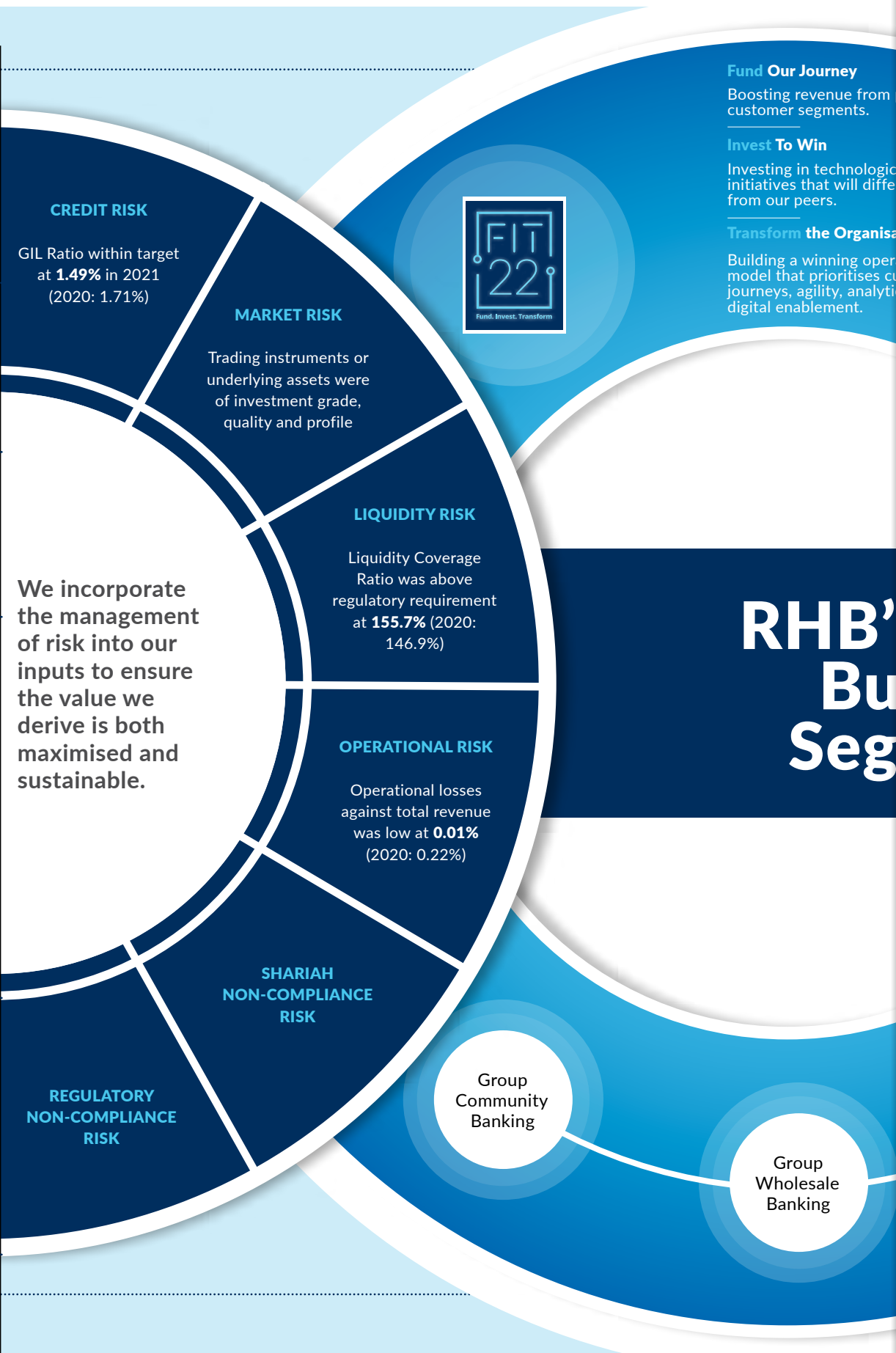
Natural Capital includes RHB's renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current or future prosperity of the organisation. The Group does its part in managing natural resource consumption and the resultant impact on the environment.

Direct Input
Utilities & Energy Usage (electricity, solar and gas), air, water and waste management by the Group

Indirect Input
Financing activities by the Group

Raw materials the Group uses in the creation of products/daily work

Social and Relationship Capital describes the relationships built between communities, stakeholders and other relevant groups. This also includes the Bank's brand and reputation management.



OUR VALUE CREATING BUSINESS MODEL

KEY INITIATIVES

- Continued execution of the Group's five-year FIT22 strategy:**
 - Grew the Affluent and Wealth customer base by continuously improving our value proposition and enhancing our product suite.
 - Grew the Retail segment through deposits, and innovative products and services by improving digital onboarding, and accelerating growth in mortgage loans by continuing to build on the homeowner's ecosystem.
- Digitalisation of customer journeys across Retail, SME and Insurance.**
 - Introduced the "Dragon's Den" initiative to encourage our employees to develop groundbreaking next-generation ideas.
 - Continued to invest in analytics to improve customer-centricity, enhance cost-efficiency and provide better insights for decision-making.
 - RHB has allocated RM200 million to implement and enhance its digital capabilities over five years from 2017-2022, of which 65% has been utilised as of end-2021.
- Launched the capability upskilling journey for over 600 Digital, IT and Analytics employees to build proficiency in high-demand and future-looking skills.**
 - Cultivated a culture of innovation and embedded innovative capabilities within our employees through programmes such as Future Skills, Solutions Design Lab and the "Dragon's Den" competition.
- Continued enhancements to the SME Ecosystem and Homeowners ecosystem:**
 - Smart Interview feature in the RHB Financing (SME) mobile application.
 - Building partnerships through the MyHome Partner app and SME eSolutions.
- Continued to integrate ESG considerations into decision-making processes and risk management practices.**
 - Kickstarted the Group's Climate Action Programme to further integrate climate risk considerations into our Risk Management processes.
- Community Contributions**
 - Contributed to the Community through a host of initiatives that supported the underserved and underprivileged members of the community:
 - Online tuition classes for Form 4 & 5 students from B40 segment under the RHB X-Cel Academic Excellence Programme.
 - Full scholarships for selected top performers of RHB X-Cel Academic Excellence Programme from B40 segment, for admission into local public universities.
 - In-kind and monetary contributions to B40 families during festive seasons and at the height of the Movement Control Order, as well as to families badly affected by the floods.
 - Participated in CERDIK Programme by donating more than 3,600 laptops to students to help B40 youth gain equal access to online education.
- Increased SME loan growth by driving end-to-end banking solutions through online and digital channels to improve our customer value proposition.**
 - Improved our penetration into other segments such as Large-Cap, Mid-Cap and commercial.
 - Improved our overseas presence through differentiated propositions for target segments in each country.
 - Improved operational efficiency and cost management.
 - Supported sustainable development.
- Formalised a partnership with Axiata to expand and deepen collaboration between the two parties, including the formation of a consortium to apply for a digital bank licence.**
 - Execution of the Group's Agile@Scale initiative, which is a way of working with Design Thinking to prioritise customer journeys, promote agility, drive the use of analytics and accelerate digital enablement.
- Conducted Sustainable Finance Series training for over 900 employees to increase their awareness about various sustainable finance topics.**
 - Launched the Women in Leadership League ("WILL") together with social enterprise LeadWomen and the Melbourne Business School programme to empower and inspire women to become agents of change and embrace leadership.
- Enhancing customer experience through the use of AI creating seamless end-to-end journeys.**
 - Creating easy access to products and services through our trusted partners.
- Launched new RHB Online Banking platform.**
 - Piloted eSignature functionality for our Wealth customer.
 - Enhanced customer experience for mobile banking platform.
- Launched the Sustainability Financing Programme comprising Green Energy, Green Building, Green Processes, and Green Products for SME and retail customers as part of the Group's RM5 billion Green Commitment by 2025.**
 - Expanded the coverage of GHG emissions reporting to cover all our operations in Malaysia.
- Helping Our Customers**
 - We stepped up to provide various forms of assistance via:
 - Opt-in moratorium of up to six months to individuals and SME customers under PEMULIH.
 - Targeted Repayment Assistance.
 - Targeted loan moratoriums under PEMERKASA.
 - URUS programme that offers financial assistance specifically to the B50 segment.
 - Continued to enable more SMEs to promote their products on Facebook and a purpose-built microsite for free via our #JomSapot platform.
 - Facilitated financing to SME customers through various programmes, including SJPP Government Guarantee Scheme, Credit Guarantee Corporation and our own BizPower Relief programme.
 - RHB Way 2.0 - to intensify service culture and elevate customer experience to deliver our brand promise of *Together We Progress* and improve our Net Promoter Score.
 - 24-hour Customer Contact Centre with digital capabilities and data analytics to serve more than 300,000 customers every month across Malaysia, Singapore and Brunei.

OUR VALUE CREATING BUSINESS MODEL

OUR VALUE CREATING BUSINESS MODEL

OUR INPUTS

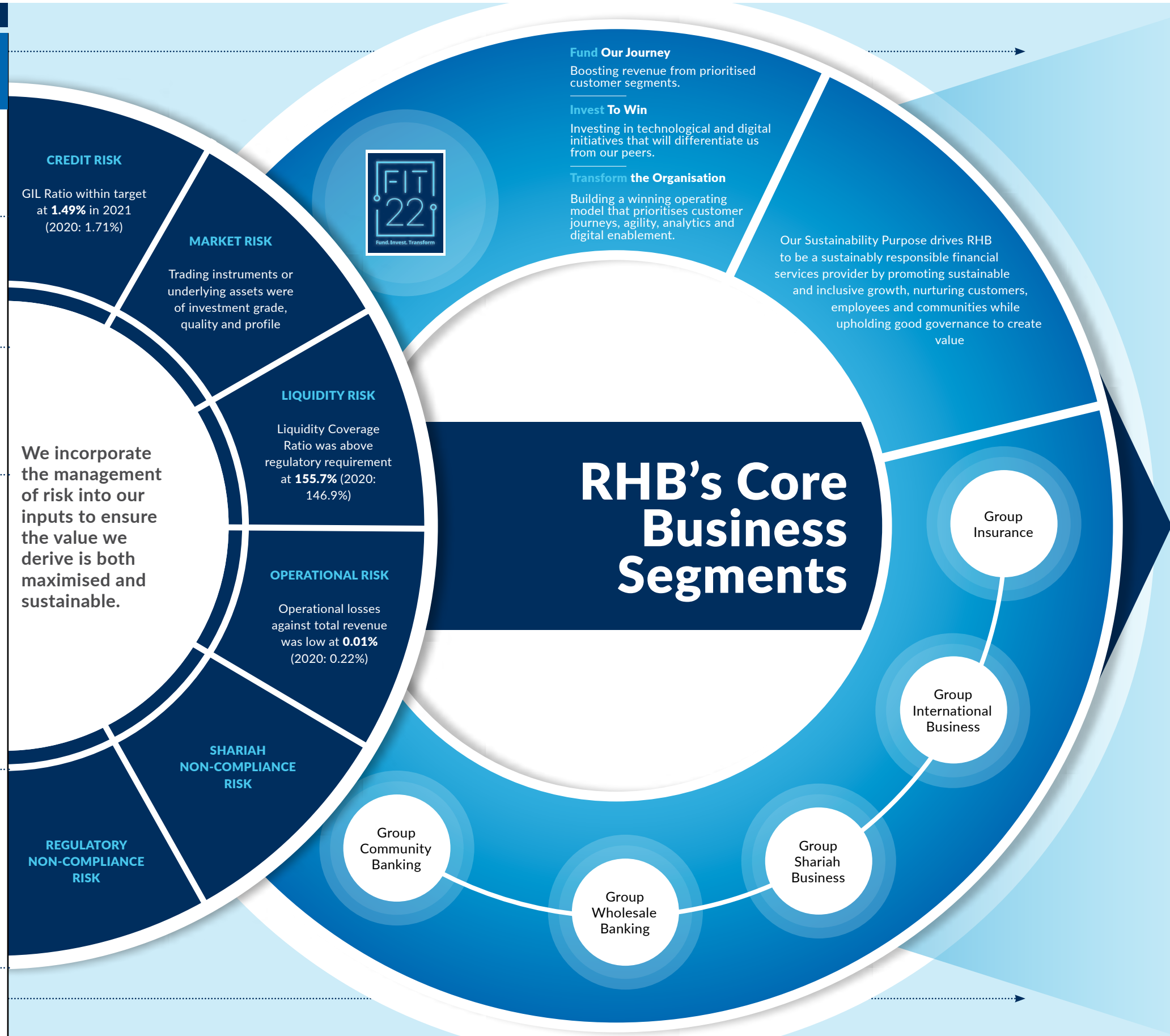
Our Inputs are managed with the aim of maximising the value that can be derived to deliver the best and most sustainable outcomes for the Group and its stakeholders.

- Financial Capital** is defined as the pool of funds available to the Group, consisting of:
 - Shareholder's Equity **RM28.0 billion**
 - Deposits from Customers **RM218.7 billion**
- Intellectual Capital** encompasses organisational and knowledge-based intangibles that can include intellectual property such as software or licences or proprietary knowledge, systems or procedures. For RHB, this includes:
 - Agile@Scale initiative
 - Digital tools, applications and software
 - Strategic partnerships
- Human Capital** covers the skills and experience of all RHB employees that enable the Bank to deliver its strategy, innovative products and services to create value for stakeholders. For RHB, the key inputs for this include:
 - 14,042 employees**
 - RM24.6 million** invested in reskilling and upskilling in 2021
- Manufactured Capital** includes RHB's infrastructure, i.e. physical branches, data centres and equipment and digital technology, that facilitates the bank's services to customers.
 - 362** branches and offices across **9** countries
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Our online and mobile banking platforms:

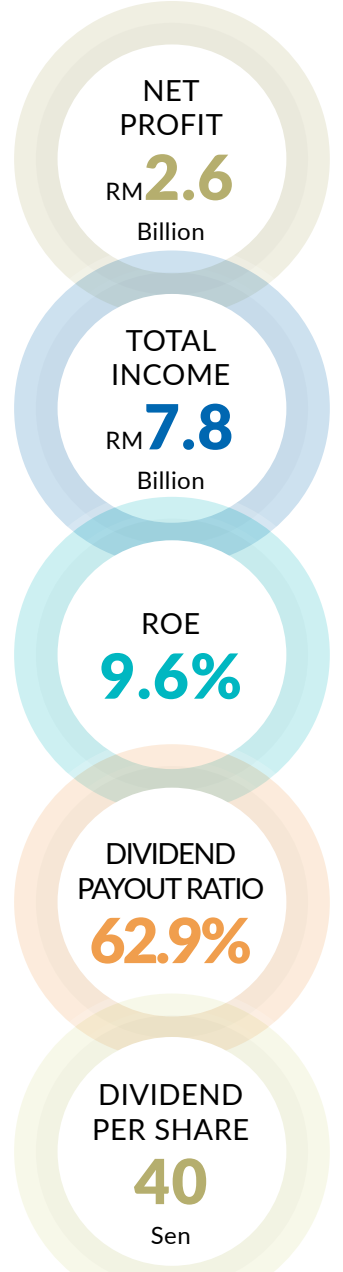
 - RHB Now Internet Banking**
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 - Direct Input**: Utilities & Energy Usage (electricity, solar and gas), air, water and waste management by the Group
 - Indirect Input**: Financing activities by the Group

Raw materials the Group uses in the creation of products/daily work
- Social and Relationship Capital** describes the relationships built between communities, stakeholders and other relevant groups. This also includes the Bank's brand and reputation management.



DELIVERING SUSTAINABLE FINANCIAL OUTCOMES

We are guided by our core values and consistently deliver sustainable financial outcomes. We take a long-term view towards ensuring the prosperity of the business and the well-being of our stakeholders, particularly our employees, customers, business partners and shareholders.



CREATING VALUE FOR OUR STAKEHOLDERS

	Trade-offs
<ul style="list-style-type: none"> Profit before tax: RM2.6 billion Total income increased by 8.4% Cost-to-income ratio: 45.2% Total assets increased by 6.8% Dividend payout ratio of 62.9% or 40 sen per share Dividend Yield: 7.4% 	<p>We have invested and reinvested significant amounts of Financial Capital into the business as we recognise that it is a critical resource that sustains growth. However, this needs to be balanced against returns to our shareholders.</p>
<ul style="list-style-type: none"> As at end-2021, more than 80% or 11,518 RHBians have moved into Agile Way of Working. Productivity improvement increased by 36% with 186 routine MVPs and six breakthrough MVPs achieved, and 228 design-thinking practitioners having been trained. Delivered cumulative incremental revenue of RM185 million through analytics use cases since 2018. Delivered profit uplift of RM138 million from digitalisation of customer journeys. 	<p>Improving our Intellectual Capital is critical to our continued success and requires investments of Financial and Human Capital for the long-term success of the Group.</p>
<ul style="list-style-type: none"> Diversity of Workforce: Male: 5,640 (40.2%), Female: 8,402 (59.8%) Board: Male: 6 (67%), Female: 3 (33%) Employee Engagement score of 90% 48 training hours per employee in 2021. Staff attrition: 1,614 employees, attrition rate of 12.1% <p><i>Attrition data covers permanent staff only</i></p>	<p>Investment of Financial Capital in the form of training and development programmes is crucial to improving our Human Capital, which will help to drive the Group's growth.</p>
<ul style="list-style-type: none"> Digital transactions accounted for 93% of total customer transactions in 2021, up from 86% in 2020. An estimated one-third of our customers can now apply and obtain approvals without physically stepping into a branch. Mortgages originating from RHB MyHome App in 2021 were at 55.8%, up from 39.5% in 2020. Onboarded over 1 million users on the RHB mobile banking app since its launch in April 2019. In 2021, we onboarded over 13,000 customers on our SME eSolutions platform. SME Unsecured loans acquired via SME Online Financing were at 69.6%. 	<p>We utilise Intellectual, Financial and Human Capital to ensure that our products and services continue to meet the needs of our customers. We strongly believe that building relationships and engagement with customers in a safe and convenient environment is important to propel business growth.</p>
<ul style="list-style-type: none"> Scope 1, 2, 3 GHG emissions data - 25,580 tCO₂e Electricity (Malaysia - Branches and HQ) - 41,616.07 MWh/year Paper consumption (Malaysia) - 147,960 reams Water consumption (Malaysia - HQ) - 79,013 m³ Less water consumption - 41,339 m³ <p>Green and Sustainable Deals</p> <ul style="list-style-type: none"> Successfully structured and executed Malaysia's first Green Cross Currency Interest Rate Swap transaction. Launched four SRI-qualified ESG funds with total AUM of RM836 million as of end-December 2021. Effective 2022, we will no longer pursue opportunities or provide finance for any new thermal coal mine projects and coal-fired power plant projects. Currently expended RM4.32 billion, of which 20.7% was for renewable energy projects, from our RM5 billion green financing commitment by 2025. Integrated ESG scores into our stock valuation assessments. 	<p>We acknowledge that investing our Financial Capital is necessary to ensure that we can continue to meet our commitments on our sustainability journey.</p>
<ul style="list-style-type: none"> Brand Value: Brand value now stands at USD824 million compared to USD830 million in 2020. Putra Brand Awards 2021 - Bronze under the Banking, Investment & Insurance category. <p>Customer Experience</p> <ul style="list-style-type: none"> Achieved SLA of 99.6% for timeliness in providing resolution to complaints, and 90.0% in addressing requests. <p>Customer Satisfaction Net Promoter Score ("NPS")</p> <ul style="list-style-type: none"> RHB MY Group achieved of +15 in 2021 (+2 vs 2020) and RHB SG Group achieved of +9 (+22 vs 2020). RHB NPS ranked 4th within the Malaysian financial industry. 	<p>The utilisation of Financial and Human Capital to support communities around us is a trade-off that we are more than willing to commit to, especially as it supports livelihoods and directly impacts those we interact with.</p>
<ul style="list-style-type: none"> Community Contributions: Total Community Investment: Almost RM9.1 million for 2021 (for both Group Corporate Responsibility and RHB), which impacted more than 20,000 community members in Malaysia, Singapore, Cambodia, Laos and Brunei. Allocated more than RM1.5 million to RHB X-Cel Academic Excellence programme to support students from the B40 segment from 2018 to 2021. Allocated more than RM300,000 to support 30 RHB X-Cel Star scholars from 2019 to 2021. Contributed approximately RM5.7 million to help alleviate the negative impacts of the pandemic in 2021. 	

OUR STRATEGIC ROADMAP



OUR STRATEGIC ROADMAP

CATALYSING GROWTH THROUGH FIT22

The FIT22 strategy has enabled the Group to generate sustained growth and deliver value to our stakeholders, exceeding many of our expectations as we harnessed the opportunities from the business segments we focused on. Our Digital Transformation Journey and adoption of the Agile way of working has also further unleashed the potential of our FIT22 strategy by fundamentally transforming the way we do business, enabling us to deliver innovative products and services, as well as faster speed to market.

Overview of Accomplishments (2017-2021)

We launched the FIT22 strategy in 2017, which details our long-term goals to be achieved through three overarching thrusts and their supporting initiatives. The 22 initiatives, organised under the Fund Our Journey, Invest to Win and Transform the Organisation strategic thrusts, have brought us a long way, with double-digit growth achieved against many of our targets and exceeding what we had first envisioned.

FIT22 Goal #1 – Targeted Segments to Win In

Affluent & Wealth
Grow Affluent and Wealth customer base, leveraging SME customer base

AUM for Premier customers grew by 78.8% (RM42.9 bil) - against baseline of RM24.0 bil

Premier customers grew by 80.0% (75,600) - against baseline of 42,000

SME Banking
Continue to win in the SME space

SME loans grew by 37.7% (RM24.5 bil) - against baseline of RM17.8 bil

SME deposits grew by 47.2% (RM28.7 bil) - against baseline of RM19.5 bil

Large-Caps & Mid-Caps
Increase share of wallet for Large-Caps and enhance penetration rate into Mid-Caps

Large-Cap fee share of wallet increased to 45.1% - grew 31.9% against baseline of 13.2%

Mid-Cap fee share of wallet increased to 30.8% - grew 11.7% against baseline of 19.1%

FIT22 Goal #2 – Geographies to Play In

Malaysia
Strengthen Malaysia as our core to achieve more than 90% of our equity and profits from Malaysia

Overseas
Niche player

Singapore: SME & Corporate loans grew by 66.1% (SGD2,344 mil) and 33.3% (SGD2,700 mil), respectively - against baseline³ of SGD1,411 mil and SGD2,025 mil

Cambodia: Total loans grew by 31.5% (USD679.2 bil) - against baseline³ of USD516.6 bil

FIT22 Goal #3 – Winning Operating Model

Agile@Scale
Nimble workforce

More than 80% (over 11,000¹) of RHB workforce has moved into Agile way of working

Productivity improvement² increased to 36% in 2021

Digital Proposition

Digitalisation of customer journeys

Digital transactions at 93%, grew by 25% - against baseline³ of 68%

Digital customer acquisition at 29.3%, grew by 11.3% - against baseline³ of 18%

FUND OUR JOURNEY

DELIVERING ON OUR STRATEGIES

Boosting revenue from prioritised customer segments, as well as through optimising the use of capital by focusing on three key segments:

- The Affluent and Wealth space, where revenue pool growth is the fastest.
- The SME segment, where we intend to not only grow loans but also provide a complete financial services ecosystem.
- The Large-Cap and Mid-Cap companies, where we aim to increase penetration and share of wallet.

INVEST TO WIN

Investing in technological and digital initiatives that will differentiate us from our peers.

TRANSFORM THE ORGANISATION

Building a winning operating model that prioritises customer journeys, agility, analytics and digital enablement, as well as developing our talent pool. We will implement the Agile way of working across the organisation to drive productivity and improve time to market, thereby transforming RHB into a fast, nimble and customer-centric organisation.

F

Overall, we continued to make progress, showing growth in key segments despite the challenging environment created by the ongoing pandemic. In 2021, we saw positive results in the following areas:

Affluent & Wealth

- The Affluent customer base increased by 3.4% year-on-year. Assets Under Management ("AUM") for the Affluent customer base rose by 9.0% year-on-year.

Retail

- Retail deposits continued to outpace the industry, growing by 8.1% year-on-year compared with the industry's 4.9%.
- On the Retail front, we grew the number of mortgages originating from the RHB MyHome App to 55.8% from 39.5% in 2020, with the contribution of leads from the RHB Partners App standing at 83.3% compared with 68.8% in the previous year.

SME

- SME loans increased 11.2% year-on-year and deposits increased by 14.6% in 2021.
- In the SME segment, we continued to expand our value-added services to our customers by building our SME ecosystems. In 2021, we onboarded over 13,000 customers on our SME eSolutions platform (9,768 in 2020).

Large-Caps & Mid-Caps

- Market share of fee income among Large-Cap clients improved to 45.1%, while our market share of fee income among Mid-Cap clients also increased to 30.8%.
- Client penetration rates for Large-Cap and Mid-Cap clients increased to 85.7% and 72.3%, respectively.

International

- Singapore and Cambodia continued to lead the growth of our overseas businesses with gross loans growing by 23.0% and 16.1%, respectively.

Digital

- Our digital offerings continued to gain traction among our customers – a clear sign that our ecosystems are maturing in the market.
- Digital transactions accounted for 93% of total customer transactions in 2021, up from 86% in 2020. We will continue to improve our digital channel platforms to meet the changing preferences of our customers.

I

We continued to benefit from our ongoing investments in digitalisation, automation and process optimisation, which helped us cater to changing customer preferences. In 2021, we were able to achieve several key milestones that will continue to drive growth:

SME

Introduced the Smart Interview feature in the RHB Financing (SME) mobile application, which allows our SME customers to complete online financing applications, including virtual interviews and site inspections.

Online Banking

Launched our new RHB Online Banking platform, which features a simplified and more intuitive interface while allowing instant access to cash financing.

Investments

Piloted an eSignature functionality for our Wealth customers to enable sales and business continuity to take place seamlessly without the need for physical interactions, which is a first in Malaysia and Southeast Asia.

Mobile App

Onboarded over 330,000 customers in 2021 on our RHB Mobile Banking app, which takes the total onboarded customers to over one million since the new mobile app was launched in 2019.

Analytics

Continued to invest in analytics and target Group-wide adoption to enable multiple parts of the business to enhance customer-centricity and cost-efficiency. We saw incremental benefits worth RM185 million from our analytics efforts.

Partnerships and Digital Banking

Formalised a partnership with Axiata to drive innovation and explore collaboration opportunities, through which we also jointly applied for a digital bank licence.

T

Our Agile journey began in 2017 with the aim of creating a winning operating model by achieving faster speed to market, increasing productivity, driving a high-performance culture and delivering superior customer journeys. We have since scaled up its implementation and continued to reap the benefits in 2021, during which we continued to create value for our customers and employees, as follows:

- More than doubled the number of employees under the Agile way of working to over 11,000, which constituted more than 80% of RHB employees (4,377 in 2020).
- Cultivated a culture of innovation and instilled innovative capabilities in our employees through programmes such as Future Skills and Solutions Design Lab.
- Introduced avenues for employees to demonstrate their innovative talents and be incentivised through participation in RHB's "Dragon's Den" competition.
- Obtained a better understanding of the mix of roles required in the future and commenced efforts to reshape our workforce as part of the Workforce of the Future.

- Started the capability upskilling journey for over 600 Digital, IT and Analytics employees to build proficiency in high-demand skills of the future.
- Improved our overall ranking to No. 2 from No. 10 among Malaysia's 100 Leading Graduate Employers 2021 and retained our second-placed employer ranking in the Banking and Financial Services category.
- Maintained a strong Employee Engagement Survey ("EES") score of 90%.
- Improved our Internal Customer Effectiveness Survey ("ICES") score to 83% (77% in 2020).

¹ Total cumulative since launch.
² Average productivity improvement (with FTE enhancement) for Agile flips in H2 2020 and H1 2021.
³ Numbers are against 2019 baseline.

RISKS AND OPPORTUNITIES

RISKS AND OPPORTUNITIES

Effective risk management is fundamental in driving sustainable growth and enhancing shareholder value while maintaining the Group's competitive advantage. Proactive risk management is thus a central part of the Group's operating environment.

Despite a challenging macroeconomic environment, especially due to the COVID-19 pandemic, the Group was able to maintain strong performance and sound risk fundamentals. The risk to impacted segments may have increased but necessary steps were taken to maintain stable operations. The Group continuously supported impacted retail and non-retail clients via various financial relief measures, including offering payment assistance and loan restructuring. Additionally, the Group continued to assess these situations on an ongoing basis through portfolio reviews and stress-testing exercises in order to analyse potential impacts and identify appropriate risk management actions. Furthermore, the Group placed additional focus on staff welfare in view of the ongoing pandemic.

THE GROUP RISK MANAGEMENT FRAMEWORK GOVERNS THE MANAGEMENT OF RISKS WITHIN THE GROUP:

It provides a holistic overview of the risk and control environment of the Group, aimed at loss minimisation and protection against losses that may occur through, principally, the failure of effective checks and controls in the organisation.

It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised by building up capabilities and infrastructure through risk management sophistication and enhanced risk quantification to optimise risk-adjusted returns.

SIGNIFICANT RISKS

The Group's risk management activities for each of the significant risk areas are reinforced by a framework and supplemented by policies and guidelines. The significant risks and how the Group mitigated them are discussed below.

1

CREDIT RISK

Material Matters: Risk Management, Sustainable Financing

RISK DEFINITION

- The risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance with the agreed terms. It stems primarily from the Group's lending/financing, trade finance, placement, underwriting, investment, hedging and trading activities from both on- and off-balance sheet transactions.
- Credit risk does not happen in isolation as certain risk events (e.g. fluctuations in interest rates and foreign exchange) may give rise to both market and credit risks.
- Credit risk can also be negatively affected by a lack of Environmental, Social and Governance ("ESG") considerations. Companies that place a higher emphasis on ESG issues will have less regulatory risk; for instance, a lower probability of being fined for ESG-related misconduct. Therefore, they will be better prepared to adopt any regulatory changes regarding ESG issues.

2021 HIGHLIGHTS

- By the fourth quarter of 2021, restrictions on interstate and international travel were lifted for the fully vaccinated. Movement activity (based on the Google mobility index) showed improvement, with the mobility index rising to the pre-COVID level of 91.2% as at 28 February 2022. The mobility index covers retail and recreation, supermarket and pharmacy, parks, public transport and workplace movements.
- The economy is expected to recover, premised on the reopening of more than 90% of the economic sectors and the resumption of most social activities.
- Malaysia's GDP in 2021 was at 3.1% and is forecast to grow between 5.5% and 6.5% in 2022. Growth will be primarily supported by the expansionary Budget 2022, the normalisation in economic and social activities, premised on high vaccination rates, the resumption of projects with high multiplier effects and strong external demand (Source: Ministry of Finance, *Malaysia's Full Year Economic Growth Expected to Remain Positive*, published on 12 November 2021; The Star/Bank Negara Malaysia ("BNM"), *On recovery path*, published on 12 February 2022).

CREDIT RISK (CONT'D)

2021 HIGHLIGHTS

- Pandemic concerns remain, arising from the increasing number of cases caused by the highly transmissible latest variant. Nevertheless, to date, the increase in new cases has not strained the national health system as the latest variant is observed to yield much milder symptoms as compared to the previous variant, with lower hospitalisation and fatality rates (Ministry of Health announcement, published on 7 February 2022).

Credit Risk 2021 Quantitative Highlights:

Gross Loans, Advances and Financing (RM'million)

2021 : 198,512
2020 : 186,114

Gross Impaired Loans/Financing Ratio (%)

2021 : 1.49
2020 : 1.71

Average Credit Risk Weight (%)

2021 : 35.7
2020 : 39.3

- The Group's gross loans, advances and financing grew by 6.7% year-on-year to RM198.5 billion, mainly contributed by the growth in mortgages, auto finance, SME, commercial and Singapore. Domestic loans, advances and financing grew 4.8% year-on-year
- Gross impaired loans ratio as at 31 December 2021 improved to 1.49% (RM3.0 billion) compared to 1.71% (RM3.2 billion) as at 31 December 2020.
- The average credit risk weight improved to 35.7% as at 31 December 2021 with total credit risk weighted assets of RM115.1 billion, compared to 39.3% with total credit risk weighted assets of RM117.4 billion as at 31 December 2020.

MANAGEMENT RESPONSE

Managing the impact of COVID-19

- The Credit War Room continued to steer, coordinate and ensure the effective implementation of the Group's payment assistance strategy in relation to borrowers/customers affected by the COVID-19 pandemic, in a consistent and structured response across RHB Banking Group.
- In addition to the extension of payment assistance mentioned above, the Bank conducted ad hoc stress tests and continuously monitored the performance and emerging risks of the portfolios in order to actively assess the impact of the COVID-19 pandemic on the portfolios.
- Advanced analytics and machine learning were also adopted to enhance credit risk measurement and expected credit loss.

Other actions

- The Group continued with its credit transformation journey through the identified initiatives, which were aligned with the FIT22 strategic road map, to enable the Bank to support business growth responsibly and protect asset quality during challenging times.
- ESG considerations were integrated into lending, advisory and investment decision-making to manage and minimise negative impacts and promote sustainable development to create positive impacts through identified opportunities.
- The Bank continuously embraced sustainability risk considerations in credit decision-making with the general and industry-specific ESG risk assessment tools for the ESG-Sensitive Sectors.
- Transformation initiatives will continue into 2022 by enhancing existing capabilities and building new ones benchmarked to industry best practices.

FORWARD-LOOKING VIEW

- Based on the BNM Financial Stability Review report dated 29 September 2021, the share of 'firms-at-risk' declined to 28.4% for the first quarter of 2021 (second quarter 2020: 32.7%). Nevertheless, it remained higher than the average pre-pandemic level of 21.4% (five-year average, 2015 to 2019) due to continued challenges faced by firms in sectors hard hit by movement restrictions.
- As part of our industry review, the Group will continue to monitor the near- and long-term effects on various industries from the impact of the 'new normal', including the increasing trend of working from home. The surge in remote working increased digitalisation, and 5G technology adaptation will have an impact on some industries, as demand for electrical and electronic products increases.
- Notwithstanding the lifting of restrictions, potential risk factors remain, including the resurgence of COVID-19/mutated variants of COVID-19, which could impact domestic as well as regional and global market recovery.
- The Group will continue to adopt a cautious approach in light of the above. Credit underwriting standards will continue to be enhanced to address the evolving pandemic situation, ensuring that the Group's credit risk policies remain effective and comprehensive to identify, measure, monitor and control all risks.

2

MARKET RISK

Material Matters: Risk Management, Dynamic Regulatory Landscape

RISK DEFINITION

- The risk of losses arising from adverse movements in market indicators, such as interest/profit rates, credit spreads, equity prices, currency rates and commodity prices. Under this definition, market risk constitutes:
 - The interest/profit rates and equity risks pertaining to financial instruments in the trading book.
 - Foreign exchange risk and commodities risk in the trading and banking books.

2021 HIGHLIGHTS

- Global economies gradually reopened in 2021 as the COVID-19 vaccine was administered to the public. However, given that the mutated variants of COVID-19 were proving to be more contagious, the wave of infections across the world recurred. As such, financial markets exhibited significant volatility, resulting in mark-to-market movements with projections of rising inflation and multiple interest rate hikes in the US to combat heightened inflation.

Market Risk 2021 Quantitative Highlights:

Market Risk-Weighted Assets ("RWA") (RM'million)

2021  : 3,201
2020  : 4,314

- The decrease in exposures was contributed by a decrease in trading bond positions held by the Group.

MANAGEMENT RESPONSE

Managing the impact of COVID-19 and potential multiple interest rate hikes globally

- The established market risk management functions that assume responsibility for the measurement, analysis and reporting of market risk are independent of the Group's trading operations.
- There was continuous proactive risk management whereby the business units worked together with Risk Management to review, assess, adjust and seek approval on selective risk appetites within a short span of time due to adverse market outlooks and conditions. This was also to ensure that the direction of risk mitigation corresponded with new business strategies. These changes were necessary vis-à-vis the new normal presented by the COVID-19 pandemic.
- There was periodic engagement with and updating of the risk management committees at the Management and Board levels to highlight the changing risk compositions, affected by market projections, revised objectives and strategies and adjusted risk appetites, combined with stress scenario analysis.

Other actions

- The market risk governance structure and processes were sound and remained effective.
- The established framework, encompassing risk policies and measurement methodologies and limits, successfully controlled the Group's financial market activities and identified potential risks due to market volatility.
- Trading exposures were monitored daily to ensure that risks were within the internal thresholds set and that any extreme events taking place would be triggered through this mechanism.

FORWARD-LOOKING VIEW

- In view of financial markets continuing to be influenced by the uncertain global market outlook, the efficacy of the COVID-19 vaccine against the mutating COVID-19 virus and the discussions on the Federal Reserve Board tapering quantitative easing in the US amid the rising interest rate outlook, structural limits and internal controls will continue to be reviewed or restructured proactively to ensure risks arising from market volatility are mitigated.

3

LIQUIDITY RISK

Material Matters: Risk Management

RISK DEFINITION

- The risk of the Group being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and to transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

2021 HIGHLIGHTS

- During the COVID-19 pandemic, the Group supported clients via various financial relief measures, including offering payment assistance and loan restructuring. Nevertheless, the Group's liquidity and funding positions remained strong. The Group's All-Currency month-end LCR averaged 149% in 2021 while NSFR was managed at above 100%.

Liquidity Risk 2021 Quantitative Highlights:

High-Quality Liquid Assets ("HQLA") (RM'billion)

2021  : 53.65
2020  : 49.03

Loan-to-Deposit Ratio ("LDR") (%)

2021  : 90.8
2020  : 91.5

Liquidity Coverage Ratio ("LCR") (%)

2021  : 155.7
2020  : 146.9

- The LCR improved mainly due to the increase in HQLA, driven by an increase in BNM placements.
- The LDR improved as the total customer deposit growth of 7.5% was higher than the gross loan growth of 6.7%.

MANAGEMENT RESPONSE

Managing the impact of COVID-19

- Active management of the LCR and NSFR ensured liquidity and funding positions were managed at sufficiently robust levels.
- Material risk assessments were conducted to ensure that emerging risks were highlighted for Management's discussion. The risk appetite was reviewed semi-annually to ensure that changes in the business environment and regulatory landscape were considered.
- On 24 March 2020, BNM issued a letter on Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Outbreak, which included a relaxation on LCR and NSFR compliance. Banking institutions were allowed to operate below the minimum LCR of 100%. The NSFR minimum requirement was lowered to 80%. Banking institutions were required to comply with the minimum requirement of 100% by 30 September 2021.

FORWARD-LOOKING VIEW

- Notwithstanding the concessions granted by BNM because of the COVID-19 pandemic, the Group sustained liquidity compliance ratios of above 100%.
- The Group remains committed to ensuring liquidity and funding positions are robust at all times. The Group's All-currency LCR month-end average was 149%.
- The Group will continue to endeavour to grow its retail and SME deposits to diversify its deposit base.

4

OPERATIONAL RISK

Material Matters: Risk Management, Good Business Governance

RISK DEFINITION

- The risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events. It also includes IT, legal and Shariah non-compliance risks but excludes strategic and reputational risks.

2021 HIGHLIGHTS

- The discovery of new variants of the COVID-19 virus and multiple waves of infection outbreaks, with higher daily infection and fatality rates, led to a prolonged COVID-19 pandemic. The prolonged pandemic situation and the corresponding public health measures, e.g. various Movement Control Orders (“MCOs”) and the National Recovery Plan (“NRP”) implemented by the authorities to manage the pandemic, caused disruptions to the business and operations of the Group. Nonetheless, the Group, as an essential services provider, continued to be of service to the community.
- In managing the prolonged COVID-19 pandemic, the Group continued to maintain and enhance its Business Continuity Plan (“BCP”) Pandemic Strategy towards transitioning to a new normal for all business and functional units. This included enhancing remote working as a viable alternate working arrangement, establishing new permanent split operations sites, enhanced monitoring of key third-party service providers and process improvements. This led to heightened operational risks, especially people risk, change management risk and increasing cybersecurity concerns.
- In relation to the BCP, the prolonged COVID-19 pandemic and continued implementation of the corresponding public health measures gave rise to Pandemic Fatigue, a condition that led to the deterioration of compliance levels, as well as other psychological concerns. The Group took cognisance of these risks and enhanced the enforcement measures relating to the various safety protocols, as well as initiating activities such as mental health awareness programmes and encouraging virtual employee engagement to help employees to cope and adjust to the changing environment.

Operational Risk 2021 Quantitative Highlights:

Operational RWA (RM'million)



- The Group adopted the basic indicator approach in computing Operational RWA. The increase in Operational RWA of 4.2% in 2021 was due to the increase in gross income.

OPERATIONAL RISK (CONT'D)

MANAGEMENT RESPONSE

Managing the impact of COVID-19

- To ensure operational resilience and continued provision of essential services, the Group enhanced its BCP Pandemic Strategy to transition to a new operating environment, whereby:
 - Eligible staff were equipped with the necessary resources and infrastructure to improve the Work-from-Home (“WFH”) arrangement;
 - The Guidelines for WFH were revisited and governance was enhanced towards facilitating remote working as an accepted working arrangement;
 - A new alternate site was identified and constructed to facilitate permanent split operations for some critical functions;
 - All third-party service providers and enablers of essential functions were identified and monitored to ensure continued provision of services; and
 - Processes and controls were reviewed and enhanced to accommodate the changing business and operating environment, with an increased focus on digital and virtual engagement.
- To mitigate the people risk arising from the COVID-19 pandemic, new normal practices were adopted to minimise the risk of infection among staff and customers, which included:
 - Temperature screening, physical distancing and compulsory wearing of masks at all RHB premises.
 - Reminders on good hygiene practices, frequent sanitisation and assessments on ventilation.
 - Establishing protocols on contact tracing and quarantine requirements.
 - Coordinated efforts and tracking in relation to staff vaccination status.
- To ensure a 'business as usual' practice and to manage the risks arising from Pandemic Fatigue due to the prolonged COVID-19 pandemic and the MCOs, the following initiatives were implemented:

- Collaboration with professionals to provide counselling to staff and to raise mental health awareness.
- Frequent staff advisories and communications, as well as employee engagement and wellness activities conducted virtually.
- Enforcement measures, including disciplinary action, for breaches of the authorities' and Group's standard operating procedures (“SOPs”).
- To manage the change management risk as the Group adopted new digital and technology-assisted processes within the changing business and operating environment, the following steps were taken:
 - Awareness briefing and advisory on the risks arising from the adoption of the new normal and operational resilience assessment.
 - Assessment and revision of the operational processes and controls to ensure they corresponded with the changing work environment.
 - Robust governance and an independent review and challenge process to consider risks and controls of proposed changes prior to adoption.
- To mitigate cybersecurity concerns, the following measures were implemented:
 - Facilitating remote working within a secure environment through secure remote access connectivity via Virtual Private Network (“VPN”) and Virtual Desktop Infrastructure (“VDI”).
 - Enhanced cyber threat monitoring.
 - Continuous assessment of third parties' cybersecurity postures and subscription to threat intelligence services.
 - Strengthening Data Loss Prevention controls by imposing stricter information classification.

FORWARD-LOOKING VIEW

- The improved vaccination rate has led to the reopening of many more economic and social sectors and the lifting of restrictions on cross-border travel, as the world transitions to a post-COVID environment through the adoption of good practices learned during the pandemic.
- Better acceptance of online transactions and virtual engagement has propelled the automation and digitalisation agenda to meet customer and business demands. This changing environment challenges the current norm and work culture, and the Group must be ready and agile to respond to the change management risk to remain relevant and resilient.
- The Group will embrace the new norms and constantly review work processes and control mechanisms to effectively support operations and business in the changing business and operating environment.
- The pandemic and digital transformation have also challenged the traditional workforce model and talent retention programme, and coupled with the competition from new digital banks and fintech companies, have resulted in elevated human capital risk. The Group recognises the challenges arising from talent shortages, as well as the risks in managing dispersed workforces, including remote employees; thus, we have put in place strategies for employee reskilling to prepare for the Workforce of the Future, and we are reviewing our talent management and retention programme.
- The focus on operational resilience has also highlighted the importance of third-party management and supply chain risks within the Group's operations and processes. The Group will need to enhance its Third-Party Risk Management Framework to ensure effective oversight and control of its third parties in the changing landscape and to meet increasing regulatory expectations.

5

TECHNOLOGY & CYBER RISK

Material Matters: Risk Management, Good Business Governance, Data Protection & Cybersecurity, Digitalisation & Investment in Technology

RISK DEFINITION

- Technology risk is the risk associated with the use, ownership, operation, involvement, influence and adoption of information technology ("IT") within an enterprise.
- Cyber risk refers to threats or vulnerabilities emanating from the connectivity of internal infrastructure to external networks such as the internet.

2021 HIGHLIGHTS

- Increased digitalisation leads to higher susceptibility to cyber risk. Digitalisation introduces user mobility with an emphasis on ease of access – anytime, anywhere and anyhow. This involves the use of cloud computing, cloud services, the sharing of an Application Programming Interface that allows an application to talk to another application and the opening up of backend systems to be accessed remotely. Recognising that such access is easily available from most financial institutions, hackers and cybercriminals have started to target financial institutions to exploit the new digital business model.
- The MCOs implemented by the government due to the COVID-19 pandemic led to employees working from home or in split operations. Virtual meetings using videoconferencing tools were introduced to avoid face-to-face meetings.
- The new norm introduced new inherent risks within the WFH and split operations arrangements. As such, additional measures were implemented to enhance security controls, which included securing remote access connectivity via VPN and Two-Factor Authentication, enforcing strict policies for virtual meetings and protecting the devices used by staff with advanced security tools.
- A rise in phishing emails was detected and controls were promptly implemented to address the threats, with no losses reported.
- There was an increased focus on digital transformation initiatives and dedicated management committees to facilitate increased speed-to-market and responsiveness to customer feedback/demands.
- We increased our utilisation of cloud technology with the deployment of new tools and collaborated with partners who were also leveraging this technology.
- In 2021, we conducted Red Team and Compromise Assessment exercises in line with the requirements of BNM's Risk Management in Technology policy to assess the effectiveness and completeness of RHB Banking Group's cybersecurity controls and thus, identify areas for improvement.

MANAGEMENT RESPONSE

- The rapid adoption of digitalisation led to new inherent risks that were never in existence in a traditional on-premises computing system. To address these emerging risks, there was a need to revamp the current security infrastructure – from perimeter-based security to cloud computing and data-centric security.
- RHB adopted a multi-pronged approach:
 - The gradual deployment of digital-friendly cloud-based security infrastructure and the hiring of support personnel with skill sets covering cloud security.
 - Establishing proper governance in the management of cloud/digital deployment and the introduction of policies to strengthen the security controls covering the overall digitalisation initiative.
 - Continuous assessment of third parties' cybersecurity postures and subscription to threat intelligence services for better visibility of the current cyber landscape.
- Systems were established to monitor network activities for anomalies and security breaches and increased attention was given to infrastructure readiness, compatibility, capacity, security and resiliency to support digitalisation projects.
- Internet-facing application systems were subjected to regular vulnerability assessments/penetration testing and weaknesses detected were duly resolved with attestation from external consultants.
- Centralised monitoring of system health status and capacity utilisation was conducted to facilitate early detection and faster response to potential IT issues.
- Apart from the BCP, the Group's response was to instil continuous awareness via emails and training among staff on the Do's & Don'ts while working from home. Staff working from home were issued with laptops and VPN facilities to ensure a secure working environment. Virtual meetings were conducted using secure channels such as MS Teams and Zoom. We believe that everyone has a role to play in ensuring the integrity of our systems. Thus, we will continue with the mandatory IT Security Awareness e-learning module, which has been completed by our employees in Malaysia and regional offices. In addition, the Group's Board of Directors has completed a specially curated e-learning module on IT Security Awareness. To further augment the knowledge attained, we have been sending out regular reminders and notifications about different aspects of cybersecurity to all employees.

FORWARD-LOOKING VIEW

- The threat of cyber risk incidents remains ever-present, more so during this time of increased reliance on IT solutions for videoconferencing and the WFH arrangement, which expose the Group to additional cyber risk vulnerabilities. As such, we have subscribed to threat intelligence resources to stay updated on cyber risk attacks faced by the industry and any new emerging risks.

6

REGULATORY NON-COMPLIANCE RISK

Material Matters: Risk Management, Good Business Governance, Dynamic Regulatory Landscape

RISK DEFINITION

- Losses arising from regulatory sanctions, financial loss or reputational damage that a financial institution may suffer as a result of failure to comply with all laws, rules, standards and regulatory requirements (including any rulings of the Shariah Advisory Council) relevant to a financial institution's activities in all jurisdictions in which the financial institution or any of its branches or subsidiaries conducts its activities.

2021 HIGHLIGHTS

- The COVID-19 pandemic and the imposition of the MCOs continued to present challenges in terms of ensuring compliance awareness and adherence to regulatory requirements amid the new normal. Furthermore, as the Group moved towards embracing digitalisation and automation, the threat to information security became imminent, more so due to the COVID-19 pandemic and the consequential WFH arrangement, which necessitated the use of digital channels.

MANAGEMENT RESPONSE

- Optimised the usage of alternative learning platforms, such as short explainer videos, webinars and MS Teams, to conduct compliance training to ensure continued access to learning on/awareness of regulatory expectations, particularly for employees under the remote work arrangement.
- Conducted an overall review of policies, circulars and guidelines to ensure that the Group's operational and business processes were updated where required, to cater for the new normal while ensuring adherence to regulatory requirements.
- Use of technology and system enhancements to meet compliance requirements.
- Carried out heightened cyber risk assessments in relation to the existing systems of the Group, including regular reviews of processes and controls to establish the need for any additional security measures.
- Increased compliance and regulatory reviews to detect procedural gaps vis-à-vis regulatory requirements to ensure timely compliance risks identification.

FORWARD-LOOKING VIEW

- Group Compliance will continue with its efforts to build a positive compliance culture across the Group amid the unprecedented challenges brought about by the COVID-19 crisis. Apart from strengthening its oversight responsibilities, the focus will be on promoting compliance behaviour through various compliance awareness programmes and monitoring initiatives to ensure that the Group remains resilient and is able to navigate through the new normal.



For more information on Group Compliance's highlights and initiatives in 2021 and our key priorities moving forward, please refer to the section on Group Compliance on pages 136 to 138 of this Integrated Report.

RISKS AND OPPORTUNITIES

7

SHARIAH NON-COMPLIANCE ("SNC") RISK

Material Matters: Risk Management, Good Business Governance, Dynamic Regulatory Landscape

RISK DEFINITION

- The risk of legal or regulatory sanctions, financial loss or non-financial implications, including reputational damage, which RHB may suffer arising from the failure to comply with the rulings of the Shariah Advisory Councils ("SACs") of local regulatory bodies (such as the SAC of BNM for Malaysia operations), standards on Shariah matters issued by the local regulator or decisions or advice of the Shariah committee/advisor appointed by the respective RHB entities.

2021 HIGHLIGHTS

- In 2021, there were 10 potential Shariah non-compliance events detected through stringent Shariah review and audit processes, of which only one event was resolved as an actual Shariah non-compliance event by the Shariah Committee.
- Robust efforts in terms of Shariah governance were undertaken to ensure all findings raised were adequately addressed to mitigate the likelihood of recurrence or repeated potential Shariah non-compliance findings.

MANAGEMENT RESPONSE

- Operationalisation of the Shariah requirements for shared services and shared operations platforms and recent changes in the policy and regulatory requirements by BNM continued to be the focus areas under the Shariah risk management processes. In addition, it was acknowledged that staff training and awareness were key in managing Shariah risk among the business and functional units.
- Furthermore, regular independent assessment activities through Shariah review and audit functions provided assurance of the quality level and effectiveness of RHB's internal control and risk management systems and governance processes.
- The Shariah Operational Risk Management ("Shariah ORM") process was streamlined, based on the Group's existing operational risk management tools and methodologies, to specifically manage Shariah risk in line with RHB Group's policies and guidelines.
- Shariah Risk Awareness training and a walk-through session on the enhanced Shariah risk management processes were conducted during FY2021 to instil awareness of Shariah risk and guide the business and functional units in identifying Shariah risk and its control measures, as well as managing the risk within their daily operations.

FORWARD-LOOKING VIEW

- Working closely with the relevant stakeholders and strengthening efforts to ensure comprehensive and effective integration of SNC risk considerations within the existing infrastructure and platforms.
- The Shariah Risk Awareness training programme will continue in 2022 with an enhancement to be made to incorporate a skill enrichment module with regards to the Shariah ORM process.

RISKS AND OPPORTUNITIES

8

SUSTAINABILITY RISK

Material Matters: Sustainable Financing, Financial Inclusion & Education, Good Business Governance, Risk Management, Dynamic Regulatory Landscape, Environmental Stewardship, Climate Change

RISK DEFINITION

- Sustainability Risk comprises Environmental, Social and Governance ("ESG") risks, including climate-related risks, arising from the Group's own operations as well as from customers', clients' or investees' operations. If left unmanaged, these risks can lead to a loss of revenue, a decline in the financial institution's reputation and costly litigation, as well as loss of investors' and customers' confidence.

2021 HIGHLIGHTS

- Increasing awareness amongst members of the public, customers and investors on the importance of integrating ESG considerations in business and operations.
- The launch of Bank Negara Malaysia's Climate Change and Principle-based Taxonomy which requires Financial Institutions to assess and categorise economic activities according to the extent of which activities meet climate objectives and promote transition to a low carbon economy.
- Forced labour came under the spotlight in Malaysia in the second half of the year.
- Extreme weather events that struck various countries.

MANAGEMENT RESPONSE

- To this end, the Group adopted a precautionary approach and strived for continuous improvements. Enhancements to existing sustainability or ESG-related frameworks and policies continued to take place, taking into account publicly endorsed international or local standards or principles.
- Among the initiatives and controls put in place were:
 - The RHB Group Credit Policy and local country credit policies were enhanced to include ESG risk-related policies and guidelines.
 - The List of Prohibited Credits was introduced and implemented in Malaysia, Singapore, Thailand, Cambodia, Laos and Brunei.
 - The ESG Risk Assessment ("ERA") tool for ESG-Sensitive Sectors was implemented in Malaysia, Singapore, Thailand, Cambodia, Laos and Brunei.
 - The Group's coal stance was introduced in the third quarter of 2021.
 - The Group's No Deforestation, No New Peat and No Exploitation ("NDPE") stance was introduced in the fourth quarter of 2021.
- Continuous capability building programmes held for the Group's Senior Leaders and mid-level management.
- The Group's 5-year (2022-2026) Sustainability Strategy and Roadmap was approved by the Board of Directors in October 2021.
- Kickstarted the Group's Climate Action Programme in January 2022.

FORWARD-LOOKING VIEW

- The Group will continue to increase awareness on sustainability and the impact of climate change across the Group's business operations and portfolios. This will also take into account the changing regulatory landscape that is emerging with regard to sustainability and climate change.
- A deeper understanding of the risks related to sustainability issues, particularly climate risk and impacts, will improve the Group's contribution to sustainable development by minimising the financing of activities that generate negative impacts and identifying financing opportunities that create positive impacts. This will also enable the Group to develop and enhance existing relevant frameworks, policies, guidelines or controls to manage different issues identified under sustainability risk.
- Moving forward into 2022, the Group has established a Group Climate Action Programme, which will help to further our sustainability agenda and accelerate the transition to a low-carbon economy. A key component of this programme will be the ability to assess our customer portfolio in line with requirements under BNM's Climate Change and Principle-based Taxonomy, which calls on us to implement changes proactively towards building climate resilience.
- The accelerated offering of sustainable financial products and services arising from the increasing demand from customers will increase the need for the Group to continue integrating sustainability considerations into its business and operations.
- The Group's 5-year (2022-2026) Sustainability Strategy and Roadmap will guide us in meeting our Sustainability aspirations, moving forward.



For more information on the policies, guidelines and controls, please refer to the Credit Risk portion in this section and the Sustainable Financing section of our Sustainability Report 2021.

OTHER RISKS

Interest Rate Risk in the Banking Book/Rate of Return Risk in the Banking Book

Interest rate risk/rate of return risk in the banking book refers to the risk to the Group's earnings and economic value of equity due to adverse movements in the interest rate/benchmark rate. The risk may arise from the mismatches in the timing of repricing of assets and liabilities from both on- and off-balance sheet positions in the banking book, changes in the slope and shape of the yield curve, basis risk and optionality risk.

Earnings-at-Risk ("EaR") and Economic Value of Equity ("EVE") are used to assess interest rate risk/rate of return risk in the banking book. They are computed based on the repricing gap profile of the banking book using BNM's standard template. Assets and liabilities are bucketed based on their remaining tenure to maturity or next reprice dates. The measurement of EaR and EVE is conducted on a monthly basis. The Group Asset and Liability Committee ("ALCO") supports the Board Committees in establishing policies, strategies and limits for the management of balance sheet risk exposure. The Group Asset and Liability Management ("ALM") unit within Group Risk Management supports the Group ALCO in the monthly monitoring and reporting of the interest rate risk/rate of return risk profile of the banking book.

The primary objective in managing balance sheet risk is to manage the net interest/profit income and economic value of equity, as well as to ensure that interest rate risk/rate of return risk exposures are maintained within defined risk tolerances. In order to achieve a balance between profitability from banking activities and minimising risk to earnings and capital from changes in the interest rate/benchmark rate, the risk appetite, Management Action Triggers and escalation procedures are established. Stress testing is also performed regularly to determine the adequacy of capital in meeting the impact of extreme interest rate/benchmark rate movements on the balance sheet. Such tests are also performed to provide early warnings of potential extreme losses, facilitating proactive management of interest rate risk/rate of return risk in the banking book in an environment of rapid financial market changes.

Reputational Risk

Reputational risk is often seen as a significant threat to business as damage to reputation is often irreparable. It is defined as the risk of negative publicity regarding the conduct of the Group or of any of the entities within the Group or its business practices or associations, whether true or not, which will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures. It also undermines public confidence in the Group, affecting the share price.

Reputational risk in the Group is managed and controlled through codes of conduct, governance practices and risk management practices, policies, procedures and training. The Group has developed and implemented a Reputational Risk Management Policy. The key elements in the management of reputational risk include:

- Practising good corporate governance and fostering a culture of integrity to promote the execution and achievement of corporate strategies and business objectives.
- Managing reputational risk within a very low risk appetite with zero tolerance for incidences that affect the Group's reputation.

- Adopting sound risk management practices that include the practice of building 'reputation capital' and earning the goodwill of key stakeholders.
- Maintaining proper mechanisms to monitor and escalate material lapses/breaches of internal and regulatory policies/guidelines that may place the Group's reputation at risk.
- Maintaining proper channels of communication in dealing with internal and external stakeholders.

Corruption Risk

Corruption risk is the risk faced by the Group in the event RHB's Directors, officers, employees, agents or other business partners are implicated in an act of bribery or corruption, whether directly or indirectly or with or without their knowledge and consent/permission, to secure, retain or influence an improper business decision or advantage. These abhorrent acts are prohibited by the Group, as they are violations of the law and the code of ethics.

RHB's corruption risk is mitigated via the Group's existing policies and procedures, primarily the Group Code of Ethics & Conduct, Group Anti-Bribery & Corruption Policy, Group Whistleblowing Policy and Group Gifts and Hospitality Guideline. In supplementing the Group's efforts to ensure good business conduct by its Directors, employees, vendors and other business partners, the Group has put in place several control mechanisms, including but not limited to the following:

- Core Shared Values ("P.R.I.D.E.").
- Corporate Integrity Statement.
- Code of Ethics and Business Conduct.
- Corruption Risk Assessment.
- Group Fit & Proper Policy.
- Group Corporate Sponsorship & Donation Policy.
- Group Related Party Transactions Policy.
- Group Fraud Risk Management Policy.
- Whistleblowing or 'Speak Up' channels and avenues.
- Ethics & Integrity Resource Portal.
- Awareness & Knowledge-sharing Sessions.

The Group has also established whistleblowing channels to ensure employees are accorded the opportunity to report any issues relating to employee wrongdoing through an appropriate channel without the threat of repercussions. The Group's primary whistleblowing avenues for both internal and external parties are through the Senior Independent Non-Executive Director ("SINED") of RHB Bank Berhad and the designated email address, namely speakup@rhbgroup.com. For other whistleblowing channels and avenues, please refer to the Group's corporate website at www.rhbgroup.com.

The controls that are in place ensure adequate risk mitigation, which allows the Group to create value for its stakeholders by:

- Securing RHB Banking Group's reputation as a corruption-free organisation with strong fundamentals and ethical business practices.
- Strengthening RHB Banking Group's brand promise of *Together We Progress*.
- Safeguarding RHB Banking Group's assets from mismanagement.
- Improving operational cost efficiency with minimal wastage for the Group.
- Protecting the Group from legal and regulatory penalties such as those imposed by the Corporate Liability Provision introduced via Section 17A of the MACC Act 2009.

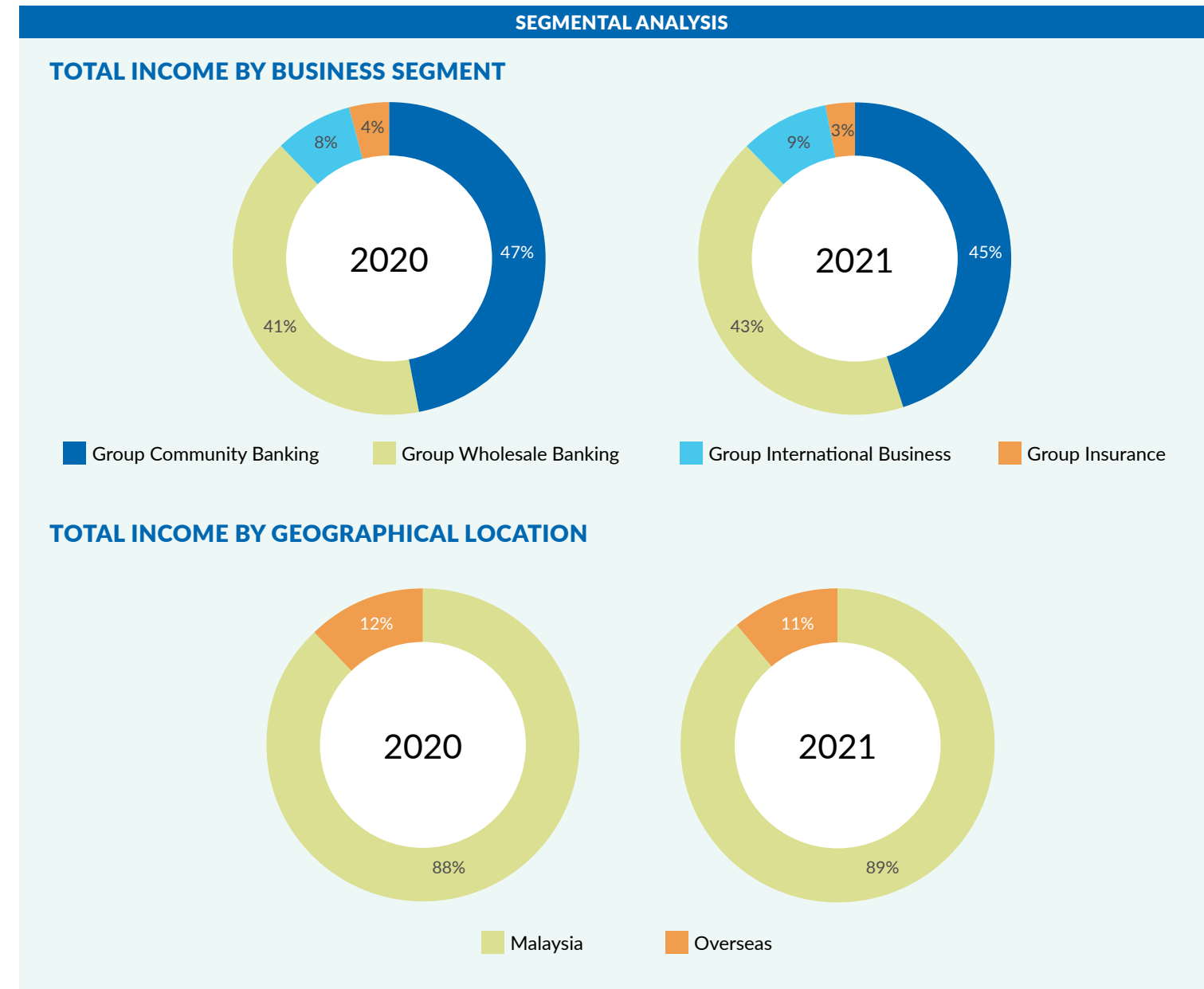
OPERATIONAL REVIEW



In FY2021, the proportions of revenue contributed by the Group's business segments were largely unchanged when compared to FY2020.

Group Community Banking was the top contributor, earning 45% of the Group's total income. This was followed by Group Wholesale Banking with 43%. Group International Business and Group Insurance contributed 9% and 3%, respectively.

In terms of geographical location, income from our Malaysia operations continued to be the main contributor to income. In FY2021, 89% of the Group's total income was derived from our Malaysia operations.



GROUP COMMUNITY BANKING
Refer to page 66.

GROUP WHOLESALE BANKING
Refer to page 72.

GROUP SHARIAH BUSINESS
Refer to page 82.

GROUP INSURANCE
Refer to page 85.

GROUP INTERNATIONAL BUSINESS
Refer to page 88.

GROUP COMMUNITY BANKING

Group Community Banking comprises the Group Retail Banking and Group SME Banking segments of RHB. We serve over 3.9 million individual customers and more than 200,000 businesses by providing both conventional and Shariah-compliant consumer and SME Banking Solutions. The Retail Banking and SME Banking businesses were integrated into Group Community Banking in 2021 as part of the Group's restructuring of its Strategic Business Groups.

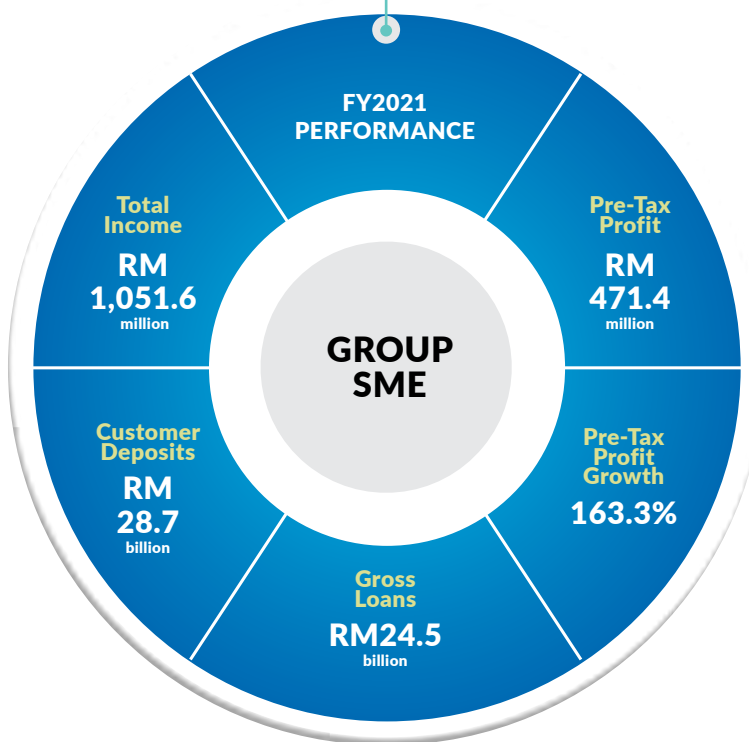
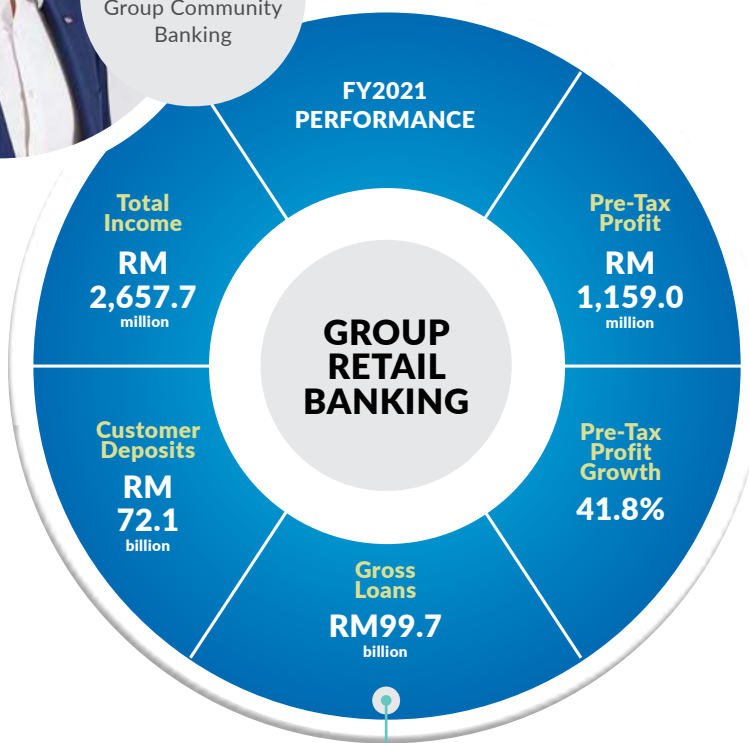
Our aspiration is to be the trusted partner of choice for all consumer and SME banking solutions across lending, spending, savings, investing and protection for anyone who has made Malaysia their home. Retail Banking provides consumer banking solutions ranging from Wealth Management, Bancassurance, Mortgages, Auto Financing and ASB Financing to Personal Financing, Credit Cards, Payments and Deposits, while SME Banking provides financing solutions to SMEs and family-owned enterprises.

Leveraging the Agile way of working, Group Community Banking continues to enhance digitalised customer journeys and propositions on digital platforms and through various solutions to cater to rapidly changing customer preferences.

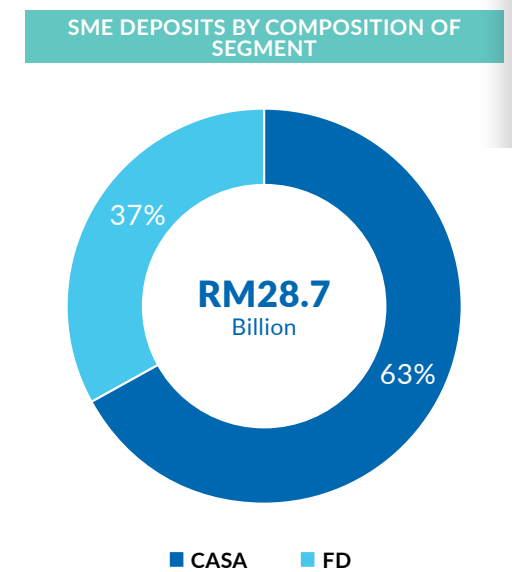
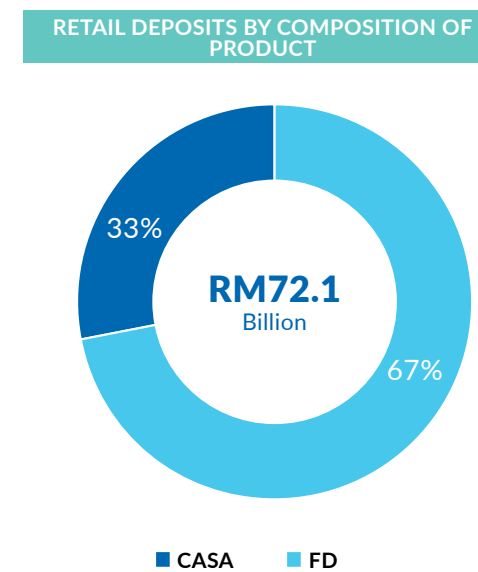
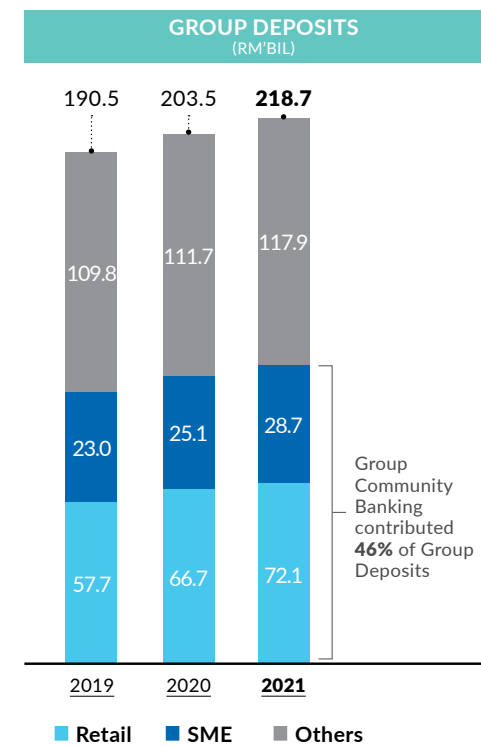
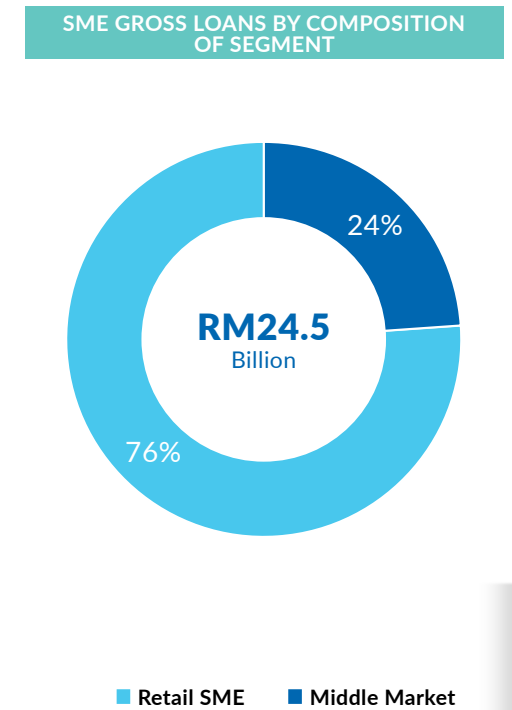
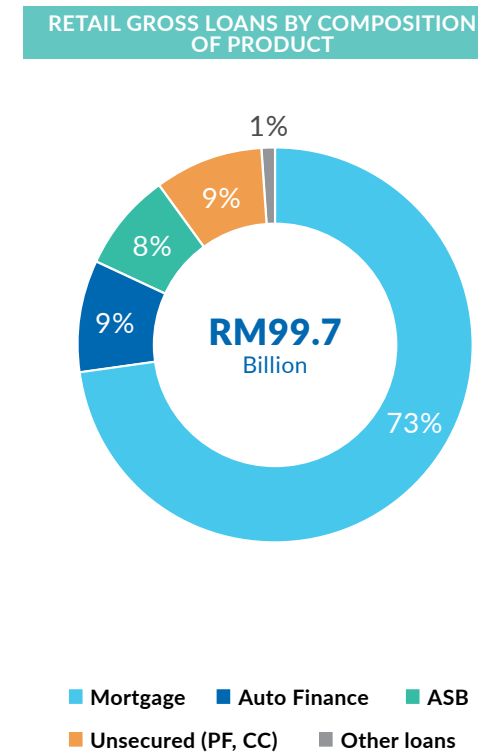
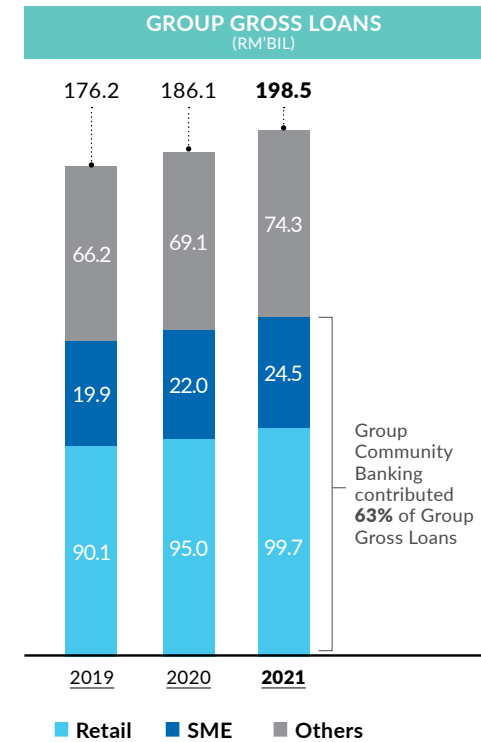
We aspire to be one of the best community banks in Malaysia by meeting the communities' personal and business needs through simplified, digitalised and customised solutions.



JEFFREY NG
Managing Director,
Group Community
Banking



HOW WE CREATE VALUE



OPERATIONAL REVIEW

OPERATIONAL REVIEW

GROUP RETAIL - KEY BUSINESS INITIATIVES

SEGMENT	KEY BUSINESS INITIATIVES	OUTCOMES
Lifestyle Consumer	<p>Cards</p> <p>Launched the new co-branded RHB Shell Visa Credit Card/-i that offers customers cashbacks on fuel and everyday essentials, meeting emerging market needs. We also remained a firm advocate of environmental conservation by continuing to promote our eco-friendly RHB WWF Debit Card-i.</p> <p>Partnerships with leading online marketplaces such as Shopee, Lazada and Taobao to drive online sales in tandem with our growing presence in digital payments.</p> <p>Personal Finance</p> <p>In response to shifts in consumer behaviour, which were accelerated during the pandemic, we improved the customer onboarding process through non-face-to-face applications via email.</p> <p>Launched the Debt Consolidation Programme in February 2021 to assist customers to consolidate their financial commitments from other banks into a single Personal Financing account with RHB.</p> <p>Enhanced our competitiveness through risk-based pricing that targeted the right customer segment with business-driven risk control.</p> <p>RHB Superdeals Loyalty Programme</p> <p>Launched on 15 November 2021, customers are able to accumulate loyalty points when they save, spend or invest with RHB and redeem points for lifestyle products and services.</p>	<p>Cards</p> <p>More than 28,000 Shell Visa Credit Card/-i cards were issued in 2021.</p> <p>More than 46,000 units of WWF Debit Card-i were issued during the year, bringing the total number of Cards-in-Force to 64,371. The WWF Debit Card-i is the first card made of recycled plastic and supports underwater life via cashless donations.</p> <p>Achieved an impressive 90% year-on-year spending growth in 2021 for e-wallet top-ups, together with 64% year-on-year spending growth for the three online marketplaces, Shopee, Lazada and Taobao.</p> <p>Personal Finance</p> <p>85% of the applications we received were via email submissions, which helped to improve turnaround time.</p> <p>The Debt Consolidation Programme recorded a total of RM320 million, which was 13% of our total Personal Finance sales.</p>
Mortgage	<p>Expanded our geographical reach, especially outside of traditional market centres, with branches now able to accommodate mortgage applications, which has also improved turnaround time.</p> <p>Greater emphasis on enhancing penetration rate for end financing of projects that are bridged financed by our SME, Commercial and Corporate businesses.</p> <p>Executed differentiated initiatives to drive the acquisition of completed properties within the secondary market sector.</p>	<p>Overall sales contribution from branches grew from RM37 million in 2020 to RM937 million in 2021.</p> <p>The Mortgage portfolio expanded by 7.2% despite the pandemic with new acquisitions mainly obtained through the MyHome app.</p> <p>The MYHome app contributed 56% of new mortgages valued at RM5.8 billion compared to 40% in 2020.</p> <p>Overall acquisition of completed properties grew from 30% in 2020 to 34% in 2021.</p>
Wealth & Affluent	<p>Widened product spread for investors through new and innovative offerings such as enabling their participation in Perpetual Sukuk/Bonds primary issuances.</p> <p>Enhanced digital onboarding journey by rolling out our eSignature initiative for straight-through processing.</p>	<p>Wealth fee income grew by 35.6% year-on-year in 2021.</p> <p>Overall Wealth AUM grew 18.8% from RM3.5 billion to RM4.1 billion.</p>
RHB Premier Banking	<p>Continued to grow Premier Banking customers by leveraging existing RHB Bank SME directors and High Net Worth Individuals through enhanced propositions.</p> <p>Launched preferential sales charge for first-time Unit Trust investors to drive investors' penetration.</p>	<p>As at December 2021: 36% of our Premier base are SME Owners (grew by 2% year-on-year).</p> <p>Overall Investment AUM for Premier customers grew by 21%.</p>

SEGMENT	KEY BUSINESS INITIATIVES	OUTCOMES
Auto Financing	<p>White Label partnership with Volvo to provide RHB loans to customers under Volvo Car Financing.</p> <p>Promoted Green Financing by offering preferential rates for hybrid, plug-in hybrid and EV vehicles in line with the nation's goal to transform into a low-carbon and climate-resilient economy.</p> <p>Increased our focus on the growing used car segment through digital enablement.</p>	<p>The automotive financing portfolio grew 4.1%, outpacing industry growth by 3.0% in 2021, while market share grew to 5.4%.</p>
Bancassurance	<p>Launched five new products targeting different segments of the market:</p> <ul style="list-style-type: none"> Takaful MyGrowth to target the growing Islamic advisory market. RHB Treasure 100 to target consumers interested in wealth preservation for future generations. RHB Luxe and Pay-as-you-Drive are motor insurance programmes to target the Premier and Mass/Mass Affluent segments, respectively. 	<p>Grew Bancassurance fee income by 31.0% through our targeted approach and rollout of innovative products for the Islamic advisory market.</p>
Deposits	<p>Introduced the Joy@Work Portal, the first lifestyle portal for salaried customers, and also initiated cross-selling of the Joy@Work proposition through the Reflex Premium/Plus platforms.</p> <p>Strengthened the sales acquisition channel with the introduction of the Business Solution Specialist Channel to focus on Joy@Work acquisitions.</p> <p>Introduced seven new currencies to the Multi-Currency Account ("MCA") Debit Card, bringing the total to 16 currencies, as well as new product packages for newly onboarded Premier customers.</p>	<p>Retail Deposits recorded growth of 8.1%, outpacing industry's 4.9% and improved our market share to 8.6% compared to 8.4% in 2020.</p> <p>Improvement in customer response to engagement activities and advertisements has helped CASA to grow 13.5% year-on-year.</p> <p>CASA ratio grew from 31.1% to 32.6% in 2021.</p>

PROGRESS AGAINST FIT22 STRATEGIC INITIATIVES

FIT22 INITIATIVES	OUTCOMES
Grow Affluent, Wealth and Bancassurance business, leveraging SME customer base	<ul style="list-style-type: none"> Wealth and bancassurance fee income grew by 33.4% to RM214.2 million year-on-year. Premier customers stands at 75,600 with AUM/customer grew by 13% to RM568,000.
Boost retail deposits to narrow the gap with retail assets	<ul style="list-style-type: none"> Loan-to-Deposit ratio improved from 142.4% to 138.2%. Payroll transaction amount grew 31% with the unique proposition for Joy@Work salary crediting account. CASA grew by 13.5% from RM20.7 billion in 2020 to RM23.5 billion in 2021.

FIT22 INITIATIVES	OUTCOMES
<p>Improve services and sales via 'Community Banking' and 'Branch of the Future' strategies for greater efficiencies, reach and performance</p>	<ul style="list-style-type: none"> Continued to enhance and strengthen Branch Managers' competencies during the pandemic with structured learning modules to be best-in-class community bankers. Enhanced our Branch and sales service. For New-to-Bank Premier customers, increased efficiencies across all sales networks, including digital initiatives, to increase penetration by optimising leads management and streamlining all leads campaigns to targeted segments.
<p>Build ecosystems through enhanced customer-centricity to create differentiation</p>	<ul style="list-style-type: none"> Our Homeowners ecosystem continued to gain traction with a growth of 9.5% vs industry growth at 6.8% in 2021. 56% of loan acceptances were via RHB MyHome Acceptance vs 40% in 2020. 85% of leads referred digitally through RHB Partners vs 65% in 2020.

GROUP SME - KEY BUSINESS INITIATIVES

In the year under review, SME Banking helped our customers strengthen their resilience within an especially challenging economic environment, undertaking a holistic approach to cater to the wide range of SME financial and operational needs.

The Group provided more than RM1.8 billion in financial assistance in 2021 to SME customers. We played an active role in facilitating the smooth delivery of government-initiated relief financing facilities such as the Special Relief Facility ("SRF") and Targeted Relief and Recovery Facility ("TRRF"). In addition to providing the TRRF facility to our existing bank customers, we collaborated with several commercial shopping malls to provide financing to tenants to help them withstand the challenges arising from the multiple lockdowns that took place in 2021 through the Retailer SME Relief Financing programme. RHB was also recognised as the top financial institution with the highest market share in terms of approvals and disbursements for the Syarikat Jaminan Pembiayaan Perniagaan ("SJPP") Government Guarantee scheme in 2021.

At the broader level, we provided SMEs access to working capital at affordable rates through the RHB BizPower Relief Financing programme, while our SME digital ecosystem supported the improvement of operational efficiencies among our SME customers. We also enabled our SME customers to access e-commerce platforms such as Beep.it, Food Market Hub and Lapasar at more competitive rates. Meanwhile, our RHB #JomSapot programme, established during the height of the pandemic in 2020, continued to assist SMEs to promote their products and services to our extensive customer base at no additional cost.

KEY BUSINESS INITIATIVES	OUTCOMES
<p>Digital empowerment for salesforce and customers - Continued to drive Ringgit Malaysia's productivity through continuous enhancement of our iSMART digital tool that enhances sales leads management while improving the customer experience.</p>	<ul style="list-style-type: none"> Overall sales productivity increased 20%, which led to a sales uplift of RM1.6 billion.
<p>Accelerated value creation from analytics through enhanced usage of data analytics to improve customer engagement and deepening our share of wallet.</p>	<ul style="list-style-type: none"> Secured more than RM700 million new loan acceptances in 2021.
<p>SME ecosystem and deposits - Continued to build on SME ecosystem as a key differentiator by offering SMEs a suite of cloud-based business solutions aimed at empowering SMEs with versatile solutions.</p> <p>Throughout the challenging year with multiple Movement Control Orders, we continued to reach out to SMEs across the country through virtual events together with our business solution partners to help SMEs digitalise their business.</p>	<ul style="list-style-type: none"> RHB eSolutions onboarded 5,456 customers in 2021, leading to current account growth of RM606 million. Deposits grew 14.6% (from RM25.1 billion to RM28.7 billion) mainly from CASA.

FIT22 INITIATIVE	OUTCOMES
<p>Continue to win in SME space</p>	<ul style="list-style-type: none"> Year-on-year SME loans grew by 11.2%. SME market share based on business segmentation grew from 7.6% in December 2020 to 8.1% in December 2021.

EMBRACING DIGITALISATION

Both Retail and SME Banking were focused on progressing the Bank's digitalisation agenda in 2021 with the ultimate aim of providing customers with a simple, fast and convenient banking experience. For SME Banking, we continued enhancing the capabilities of our SME Online Financing and eSolutions platforms. For example, the SME financing mobile app can now execute MyKad verification and facilitate virtual interviews to fulfil Electronic Know-Your-Customer ("e-KYC") procedures, which provided added convenience for our customers, especially during the pandemic. The results were significant as our SME Online Financing portfolio more than doubled to RM840 million in 2021 compared to RM339 million in 2020. Concurrently, we gained more than 5,456 new eSolutions customers, which

increased CASA under management by RM606 million. By leveraging digital solutions, we were also able to improve the productivity of our relationship managers by 20%, in addition to reducing turnaround time for our customers by 20%, which contributed to RM7.9 billion in loan acceptance.

For Retail Banking, we actively engaged with our customers and staff to encourage their migration to digital-only banking via the RHB Internet and Mobile banking platforms. The growth was encouraging with a 56% year-on-year increase in signups for the mobile banking platform, reflecting the adoption of our digital platform by more than half of our retail customers. As a result, we saw a notable increase in the origination of consumer loans applications and disbursements via digital channels.

OUTLOOK & PROSPECTS

The banking sector in general will remain challenging given the uncertainty surrounding COVID-19, and will also be largely dependent on how the impact of new strains of the virus are managed. This evolving situation will once again see a balancing act between protecting lives and livelihoods and the need to maintain the normalcy achieved thus far. Alongside the rebound in growth with the expected economic recovery in 2022, Group Community Banking remains committed to finding innovative ways to better serve existing customers through a comprehensive digital ecosystem while attracting new customers.

Much of what we will do going forward involves leveraging technology and digitisation, either to improve our own internal processes or to find more effective ways to serve our customers. For example, BNM's call to introduce e-KYC will ultimately lead to the full digitalisation of customer onboarding, which we have already implemented in some of our products, and will help attract a younger cohort of customers who are more accustomed to online experiences.

As such, we are gearing ourselves to continue meeting the challenges of a competitive industry in order to grow our market share by enhancing our product propositions and improving productivity and service availability.

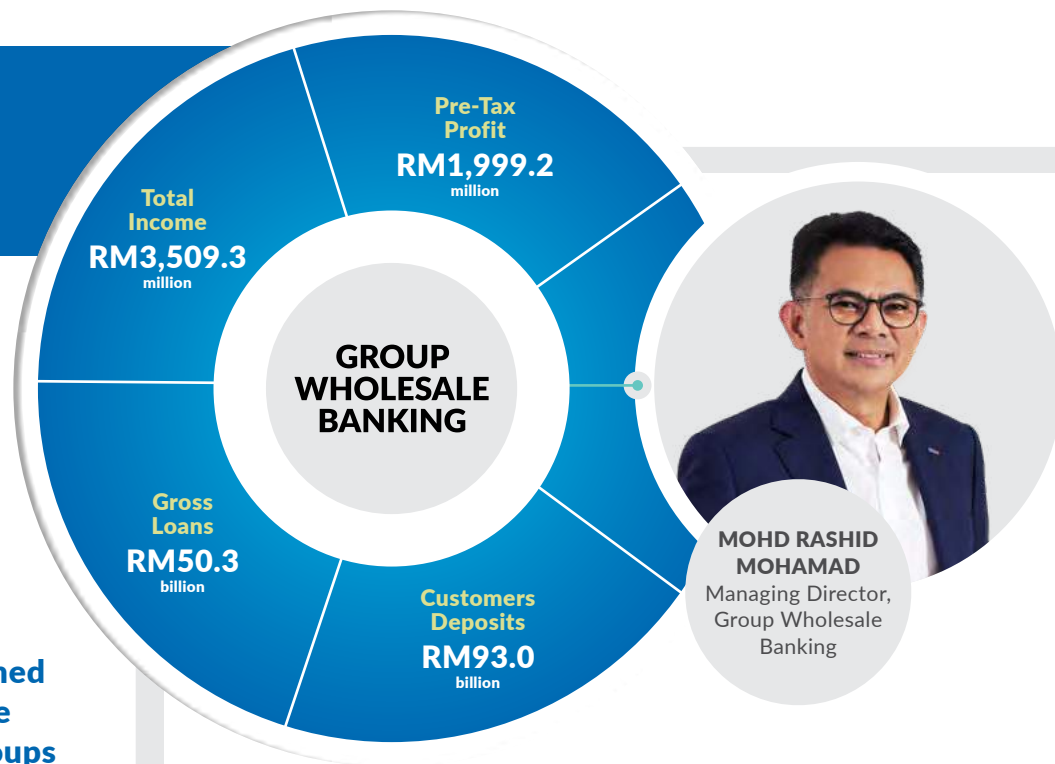
GROUP WHOLESALE BANKING

Group Wholesale Banking ("GWB") comprises the key business segments of Group Investment Banking, Group Corporate Banking, Commercial Banking, Group Treasury and Global Markets, Group Asset Management, Transaction Banking and Economics. GWB was established following a restructuring of the Group's Strategic Business Groups in 2021.

GWB provides comprehensive and coordinated services across a wide spectrum of products and solutions to cater to the needs and requirements of our customers both in Malaysia and in the region. We are able to help our customers progress as we tap the collective expertise and potential for synergies across our business segments, which is crucial in opening up new opportunities and strengthening our business in the markets we are present in.

Group Investment Banking offers a full range of capital market products, structuring, advisory services and investment products to Large-Cap, Mid-Cap clients, conglomerates, government-linked companies and agencies. The primary market capital raising includes equity and various debt instruments, whilst the secondary market equities trading/brokerage covers both institutional and retail clients. In addition we provide structured investment ideas and products to clients.

Group Corporate Banking provides a comprehensive suite of Conventional and Shariah-compliant financing solutions to corporate clients, apart from assisting corporates in structuring their financing requirements, while **Commercial Banking** focuses on mid-sized companies that fall in between large corporates and SMEs.

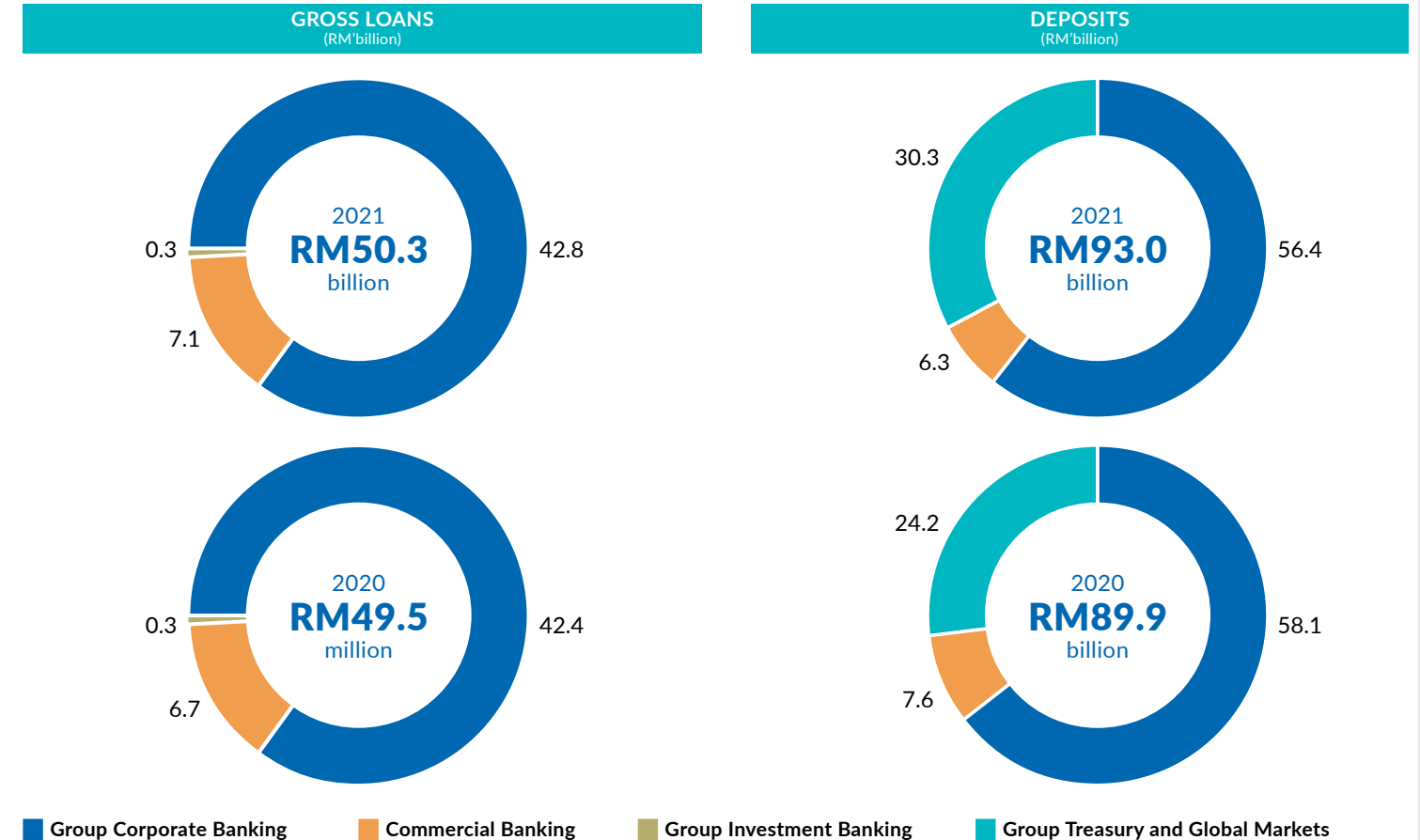


FY2021 PERFORMANCE

GWB posted a pre-tax profit of RM1,999.2 million, 2.1% higher from previous year. This is on the back of higher net fund based income of 30.0%, partially offset by lower non fund based income of 13.4% from lower net trading and investment income, and higher expected credit losses of 108.5%.

Gross loans and financing increased by 1.6% year-on-year to RM50.3 billion. Total deposits increased by 3.4% to RM93.0 billion mainly due to the increase in money market time deposits, partly offset by the decline in current account deposits.

HOW WE CREATE VALUE



Group Treasury and Global Markets offers a comprehensive suite of Treasury products and solutions, including FX, Structured Products and Money and Capital Market Instruments, catering to the funding, hedging and investment needs of our diverse customers, besides managing the investment and liquidity needs of the Banking Group.

Transaction Banking offers customers transaction banking services and liquidity management by providing cash management services such as payments, collections and trade finance solutions for business enterprises.

Group Asset Management, inclusive of its trustee business, adds value by providing investment management services to customers to enhance financial performance on their investments by offering a comprehensive suite of unit trust funds to meet the differing needs of businesses and individuals, including retirement schemes, investment management advisory, private mandate and trustee and will-writing services.

GWB is further complemented by the Economics department, which provides research services to internal stakeholders as well as external customers to enable them to make informed and sound investment decisions.



GROUP INVESTMENT BANKING

OVERALL
PERFORMANCE:

Group Investment Banking recorded a pre-tax profit of RM257.8 million in 2021, which was 91.0% higher than the pre-tax profit of RM135.0 million compared to 2020. The performance was due to improved year-on-year performance by the Capital Markets businesses and Equity Derivatives and lower impairments. The Retail Equities business in the key overseas markets of Indonesia and Thailand also turned profitable in FY2021. Total Group Investment Banking income also grew by 9.4% from RM608.9 million in FY2020 to RM667.3 million in FY2021.

Financial

AWARDS

The Edge Malaysia
Best Deals of the Year 2021

- **Best Deal - Initial Public Offering**
CTOS Digital Berhad's RM1.2 billion IPO
(Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter & Joint Underwriter)
- **Best Deal - Mergers & Acquisitions**
Kuala Lumpur Kepong Berhad's acquisition of a 56.2% stake in IJM Plantation Berhad from IJM Corporation Berhad for RM1.53 billion
(Sole Principal Adviser to Kuala Lumpur Kepong Berhad)

Alpha SEA 15th Annual Best Deal &
Solution Awards 2021

- **Best ASEAN Green SRI Sukuk**
- **Best SRI Sukuk**
SME Bank's RM3.0 billion ASEAN Sustainability Islamic MTN Programme with first issuance of RM500.0 million
(Sole Principal Adviser, Sole Lead Arranger & Joint Lead Manager)

The Asset Triple A
Islamic Finance Awards

- **Best ASEAN Sustainability SRI Sukuk - Quasi-Sovereign**
Cagamas Berhad's RM100.0 million Sustainability SRI Commodity Murabaha Sukuk
(Sole Lead Manager)

Asian Banking & Finance Corporate &
Investment Banking Awards 2021

- **Islamic Equity Deal - Malaysia**
Sunway Berhad's RM977.8 million Islamic Irredeemable Convertible Preference Shares
(Sole Principal Adviser)

IFN Deals of the Year Awards
2021

- **Structured Finance Deal of the Year**
Cellco Capital Berhad's RM520.0 million Sukuk
(Sole Principal Adviser, Sole Lead Arranger & Sole Lead Manager)

HOW WE CREATE VALUE

LEAGUE TABLE RANKINGS FOR MALAYSIA

	Position (2021)	Market Share
Bonds	3	14.8%
Sukuk	3	15.4%
Equities	4	9.3%
M&A Advisory (by value)	4	35.2%
Equities Broking	4	8.9%

(source : Bloomberg, Bursa Malaysia & RHB)



GROUP INVESTMENT BANKING

BUSINESSES	KEY INITIATIVES	OUTCOMES (AS AT 31 DECEMBER 2021)
Malaysia - client coverage	Cross-sell banking products and drive origination of capital market deals through idea generation with product partners Increase fee Share of Wallet and product holding ratio for existing clients	Higher cross-selling targets met across Retail, Commercial and Treasury products. Increased fee Share of Wallet in Large-Cap and Mid-Cap client segments. Increased product holding ratio from 3.98 to 4.40.
Malaysia - capital markets & advisory	Focus on deal execution excellence	Increased deal completion by 7% year-on-year. Going into 2022, healthy pipeline consisting of more than 200 ongoing deals and mandates to be secured, supported by strong league positions. Dominant league table positions: <ul style="list-style-type: none"> • No. 3 for Bonds and Sukuk • No. 4 for ECM, M&A and Equities Broking
Malaysia - equities broking	Grow market share and client base through digitalisation and technology enhancement	e-KYC is targeted for launch to RHB Investment Bank's remisers in Q1 2022. Since the pilot launch in 2H 2021, more than 200 accounts have been successfully opened by dealers via e-KYC.
Cambodia - capital markets & advisory	Drive Investment Banking and Corporate/Commercial Banking as one under the CIB Model	Gained traction with three deals through greater collaboration under the CIB Model in 2021.
Thailand - capital markets & advisory		Targeted client approach strategy after undergoing rigorous account planning process.
Thailand - broking		Enhanced website and trading and communication channels for clients and Investment Consultants.
Indonesia - broking	Digitalisation of retail equities - marketing, trading, account opening	Growth in new accounts by 17% year-on-year.
Vietnam - broking		Launched a new trading platform in February 2021 and Mobile App in May 2021. Continued enhancement of both Web Trading and Mobile Apps with new features in 2022.

FIT22	INITIATIVES	OUTCOMES (AS AT 31 DECEMBER 2021)
Fund Our Journey	Increase Share of Wallet ("SOW") for Large-Caps Enhance Penetration Rate into Mid-Caps Position Overseas Businesses to Focus on Key Strengths	<ul style="list-style-type: none"> • Market leader in fee SOW since the inception of FIT22 and have defended leadership position since then. • Revenue uplift has grown steadily since 2018. • Penetration rate maintained at 85.7%. • Steady loan growth based on volume and value. <ul style="list-style-type: none"> • Defended Top 3 position in Fee SOW with current #1 ranking in Mid-Cap space. • 83 new clients acquired together with new product penetration since FIT22 inception. • Steady loan growth based on volume and value. <ul style="list-style-type: none"> • Overseas investment banking business in Indonesia and Cambodia have turned profitable. Thailand and Vietnam have closed the losses gap by focusing on key strengths and niche business. • Exited broking business in Singapore, disposed of Indonesian asset management business and ceased operations in Hong Kong to focus on other growth markets in ASEAN.



GROUP CORPORATE BANKING



OVERALL PERFORMANCE:

Group Corporate Banking recorded pre-tax profit of RM103.2 mil in 2021, declined by 79.4% from 2020 primarily due to higher allowances for credit losses.

Gross loans and assets expanded by 2.1% from RM47.8 billion in 2020 to RM48.8 billion in 2021.

KEY BUSINESS INITIATIVES

Development of selective strategies for growth and new business acquisitions

OUTCOMES

Recorded loans & assets growth of 2.1% and year-on-year new client acquisition growth of 34.8%.

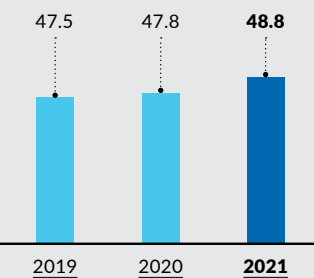
Intensify collaboration with internal product partners and businesses to deliver holistic financial solutions

Improved domestic ancillary fee income by 5.5% year-on-year.

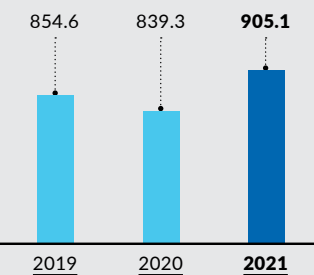
Deployment of corporate task force to manage rescheduling and restructuring of clients' banking facilities during the pandemic

Total repayment assistance accorded to clients in need constituted approximately 9.0% of total GCB domestic loans and assets for the year.

LOANS & ASSETS (RM' billion)



TOTAL INCOME (RM' million)



FIT22 INITIATIVE

To increase earnings contribution from Large-Caps and enhance penetration and advance market share in Mid-Cap segment. This was implemented via the intensification of collaborative action internally with product partners and deployment of 'go to market' approaches to bundle a comprehensive range of products and services, as well as a selective growth strategy for new and existing clients.

OUTCOME

GCB registered year-on-year loans & assets growth of 4.2%, contributed mainly by both Large-Cap and Mid-Cap segments.



COMMERCIAL BANKING



OVERALL PERFORMANCE:

Commercial Banking recorded pre-tax profit of RM100.2 million in 2021, 4.0% lower compared to year 2020.

Gross loans expanded by 6.2% from RM6.7 billion in 2020 to RM7.1 billion in 2021.

KEY BUSINESS INITIATIVES

Enhancement of asset quality management

OUTCOMES

Loan moratorium granted to 43.45% of Commercial Banking customers. Improvement in gross impaired loans ratio to 0.14% compared to 0.22% in 2020.

Collaborate within the Group through various cross-selling of different products and services to provide holistic solutions

Designed to enhance customer experience and satisfaction. This enabled Commercial Banking to capture 70% of the main operating customer accounts.

FIT22 INITIATIVES

Grow Loan and Deposits business

OUTCOMES

Continued to focus on increasing loan and deposit base by driving productivity and efficiency with a strong compliance culture.

Enhance customer-centric approach

Provided holistic solutions to clients through various ancillary businesses across the Group and improved turnaround time to enhance customer journey and create a long-term relationship with the client.



GROUP TREASURY AND GLOBAL MARKETS



OVERALL PERFORMANCE:

Group Treasury and Global Markets ("GTGM") recorded a pre-tax profit of RM1,457.0 million, representing a 26.0% growth from the previous year. This was mainly contributed by higher net interest income of 77.0%, partially offset by lower non-interest income of 38.5% due to lower trading and investment income and higher other operating expenses of 2.4%.

Total Income:	Total Income Growth:	Pre-Tax Profit:	Pre-Tax Profit Growth:
RM1,633.6 MILLION	23.3%	RM1,457.0 MILLION	26.0%

KEY BUSINESS INITIATIVES

OUTCOMES

Digitalisation of Distribution Channels for Structured Investment Products

Our structured product suite was enhanced to include high-yield Auto-Callable and Equity-Linked Investments. There was strong take-up from affluent and mass affluent customers, registering 231% year-on-year volume growth for structured investment product sales.

To strengthen distribution and provide convenient access to structured investment products, we increased touchpoints via an online trade booking and processing system. This digital platform provides for real-time competitively priced structured investment products, improved trade booking turnaround time and reduced operational risks.

Transition of LIBOR to Risk Free Rates ("RFR")

GTGM's funding obligations and derivatives business transitioned to RFR as LIBOR contracts referencing ceased on 31 December 2021. We planned for this IBOR transition early and enhanced our internal systems to ensure legacy contracts and new transactions incorporated fallback language and provisions for alternative reference rates.

To safeguard our customer's interests through the IBOR transition, we increased customer awareness with information-sharing sessions, covering key differences between RFR and IBOR and the implication of RFR compounding for cash instruments, derivatives and loan products, to assist them in managing a smooth transition to RFR.



GROUP TREASURY AND GLOBAL MARKETS

KEY BUSINESS INITIATIVES

OUTCOMES

Rebalance Investment Portfolio

Aligned to rising market expectations for higher bond market yields as economic conditions improve, we have positioned our fixed income exposure to remain optimally invested and balanced between the risk of higher-trending bond yields and the value proposition of widening credit spreads to opportunistically improve Return on Investment ("ROI").

Implement Fully Automated Murex Hedging Module

Pursuing a robust risk mitigation strategy, we continued to automate workflows and processes. Remaining wary of the prospect of pivotal changes in the direction of interest rates and their impact on business risk, we improved hedging effectiveness with the implementation of the hedge accounting module in Murex to cover the end-to-end process of hedging effectiveness, including downstream reporting and disclosure.

Active Management of Operating Costs

We remained vigilant in managing operating costs. Budgets and resources were reallocated towards continuous improvement of systems and processes to increase business productivity and enhance cost-efficiency.



AWARDS

<p>Best Forex Bank Malaysia 2021</p> <p>Global Banking and Finance Awards 2021, GBAF Publication Pte. Ltd.</p>	<p>Best Banking Product: RHB Live FX @ Reflex</p> <p>Global Banking and Finance Awards 2021, GBAF Publication Pte. Ltd.</p>
<p>Best Multi Currency Account Malaysia 2021</p> <p>Global Banking and Finance Awards 2021, GBAF Publication Pte. Ltd.</p>	<p>Malaysia Domestic Foreign Exchange Bank of the Year - 9th consecutive award</p> <p>Asian Banking and Finance Wholesale Banking Awards 2021, Asian Banking & Finance</p>
<p>Highly Commended Best Individual in Sales, Malaysia Ringgit Bond</p> <p>The Asset Benchmark Research Awards 2021 - Asian Local Currency Bond Awards, Asset Publishing and Research Ltd.</p>	<p>Malaysia Best Corporate Treasury Sales and Structuring Team</p> <p>11th Annual Treasury & FX Awards 2021, Alpha Southeast Asia</p>



GROUP ASSET MANAGEMENT



Financial

OVERALL
PERFORMANCE:

Group Asset Management ("GAM") achieved a pre-tax profit of RM 77.1 million, a year-on-year increase of 9.3%, driven by higher revenue despite increased overall operating costs.

AWARDS

Mixed Asset MYR Flexible -
RHB Thematic Growth (3 Years)

Lipper Fund Award 2021,
Lipper Awards by Refinitiv

Top Investment House (Malaysia) -
Ranked 1st

Top Investment Houses in Asian Local
Currency Bonds for 2021,
The Asset Benchmark Research

Most Astute Investor (Malaysia) -
Ranked 2nd

The Most Astute Investors in Asian -
Local Currency Bonds for 2021,
The Asset Benchmark Research

Most Astute Investor (Malaysia) -
Ranked 9th

The Most Astute Investors in Asian - Local
Currency Bonds for 2021,
The Asset Benchmark Research

In 2021, we launched a total of 15 new funds across Malaysia and regional offices. These new funds included four innovative ESG thematic and impact investing funds, in addition to multi-currency funds across various asset classes in both the Conventional and Shariah space. These funds were designed to meet our existing and prospective investors' needs, by taking economic and industry trends, investment outlook and overall market developments into consideration. We are committed to creating a sustainable fund management business, with our holistic ESG framework and integration process and governance oversights put in place, working alongside other businesses within the Group on various ongoing sustainability initiatives.

EMBEDDING SUSTAINABILITY

Group Wholesale Banking has continued to strongly support the Bank's growing sustainability ambitions through a variety of initiatives, including creating new credit policies that demonstrate our commitment to furthering the ESG agenda. We have also clearly stamped the ESG mark on a number of new products and funds, which we believe will not only capture the interest of investors, but also advance the financial services industry's overall contribution to the transition to a low-carbon economy.

Notable ESG Initiatives in 2021:

- Investment Banking was the sole principal adviser, sole lead arranger, joint lead manager, facility agent, Shariah adviser and commodity trading participant for SME Bank's RM3 billion Sukuk Wakalah Programme and its inaugural issuance of the country's first Sustainability Sukuk by a development financial institution ("DFI"), valued at RM500 million.
- Green commitment of RM5 billion for non-Retail lending, with RM4.32 billion achieved, of which 20.7% was for renewable energy.
- Investment Banking's Research Team introduced its proprietary ESG scoring system that will embed ESG considerations in its evaluation of stocks, thus giving investors a more comprehensive understanding of their investments.
- Group Corporate Banking's approved green financing stood at RM801 million as at end December 2021 and in line with the Bank's stance on not extending new coal financing from 2022 onwards, Group Corporate Banking will be reviewing its portfolio to eventually phase out existing direct coal financing exposures.
- Group Treasury and Global Markets structured and executed Malaysia's first ESG-KPI Linked Cross-currency Interest Rate Swap and Structured Investment Linked Index with Autoswitch payoff with reference to the ESG Index.
- Group Asset Management launched a total of four new funds covering ESG thematic and impact investing funds, namely the RHB i-Global Sustainable Disruptors Fund, RHB Global Impact Fund RHB Sustainable Global Thematic Fund and RHB Asia Sustainable Leaders Fund during the year. The combined AUM of these funds stood at RM836 million as at end-December 2021.

OUTLOOK & PROSPECTS

As a combined entity, Group Wholesale Banking remains committed to building stronger relationships with our customers in order to cast a wider net that will enable us to capture new opportunities for cross-selling and deepen our share of wallet.

- **Group Investment Banking:** We will continue to enhance the client coverage model to deepen personalised relationships and expand the acquisition of new relationships, supported by digital capabilities in monitoring the monetisation of these relationships. We will also implement the Hub & Spoke model, which will help us better serve our overseas customers and Malaysian clients with overseas presence, as we seek to leverage market dynamics and the wider capabilities in RHB Investment Bank to generate more cross-border advisory and fundraising deals.
- **Group Corporate Banking:** The COVID-19 pandemic has enabled us to gain vast knowledge in steering our business forward under challenging conditions over the last two years. Moving forward, we will continue to focus on strengthening our relationships with our existing clients, while continuing to grow Mid-Cap companies through enhancements in the existing business model and aligning with high-growth economic sectors, as well as promoting and supporting sustainable financing.

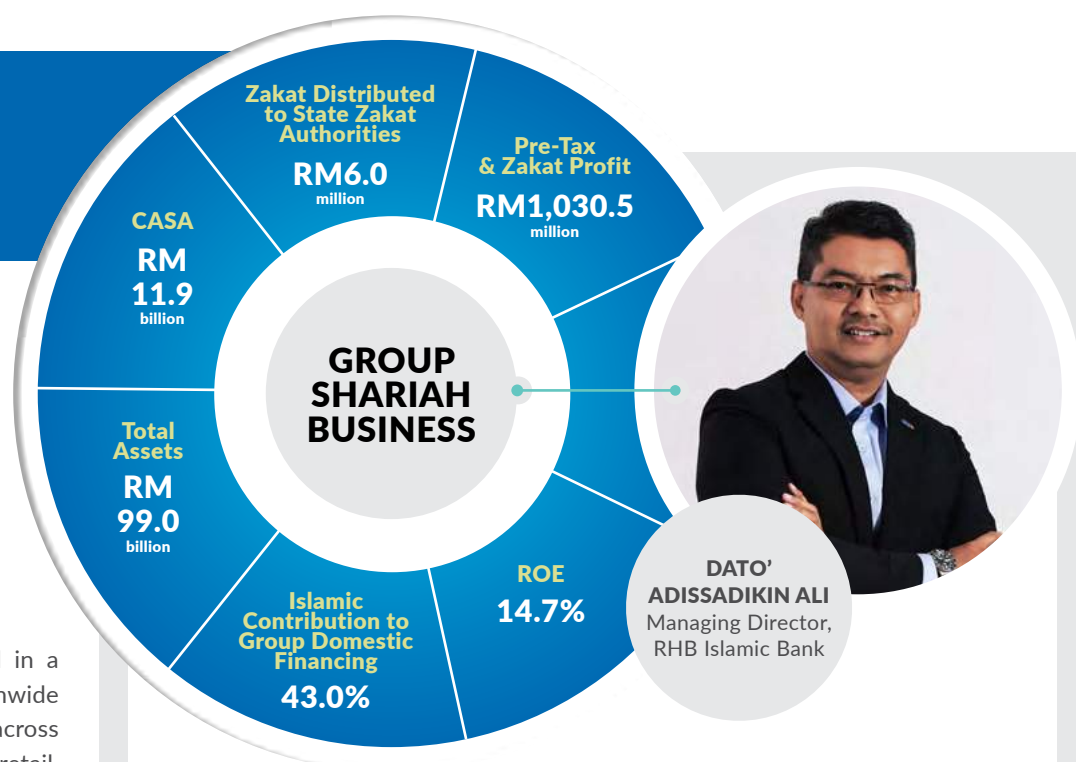
In line with the Group-wide digitalisation strategy, we will continue to focus on delivering wholesale financial solutions to our clients, capitalising on our digital capabilities to serve our clients better by enhancing our products and services digitally. Concurrently, we will continue to strive to improve and enhance the efficiency of our middle office capabilities and ensure a strong risk and compliance culture.

- **Commercial Banking:** With the current challenges to business recovery posed by the pandemic, we will continue to proactively engage with and offer assistance to our clients. For clients who opted for loan moratoriums, we will closely engage with them to consider restructuring when the loan moratorium ends to ensure their continued viability and at the same time, protect our asset quality.
- **Group Treasury and Global Markets ("GTGM"):** GTGM remains optimistic about the outlook for financial markets in the year ahead. High vaccination rates and efficient responses from the regulators and central banks are likely to improve market confidence, alleviate volatility and reduce liquidity risk premiums. However, headwinds to financial market stability may arise from the tightening of monetary policies, pandemic concerns and growing geopolitical risk. Despite these market challenges, the prudent application of a business-driven risk management framework will act as the fulcrum for structured and disciplined trading and investment activities. Overall, we remain steadfast in strengthening customer-centricity with high-value treasury products and solutions delivered through agile business processes, to deliver on our commitment of Customer First.
- **Group Asset Management:** We will be launching an online client portal for our valued customers and prospective investors in 2022 as part of our ongoing digital initiatives. This portal aims to enhance our customer experience and satisfaction by embracing technology and will contribute towards operational efficiency and overall productivity.

GROUP SHARIAH BUSINESS

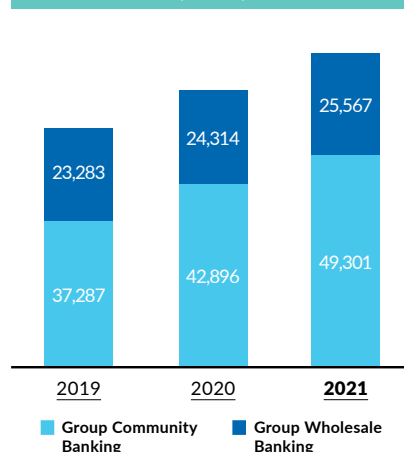
RHB Islamic Bank is the Group's Islamic banking arm, providing Shariah-compliant financial products and services offered through Group Community Banking and Group Wholesale Banking pillars.

Our products and services are delivered in a fast, efficient and seamless manner nationwide to fulfil the needs of customers, cutting across the Commercial Banking (covering retail, corporate and commercial business segments) and Investment Banking business streams. Our customer touchpoint network is one of the largest in the country with services available at all RHB Islamic Bank branches as well as RHB Bank branches, totalling 208 locations nationwide, with the added convenience of ATMs and mobile and internet banking.

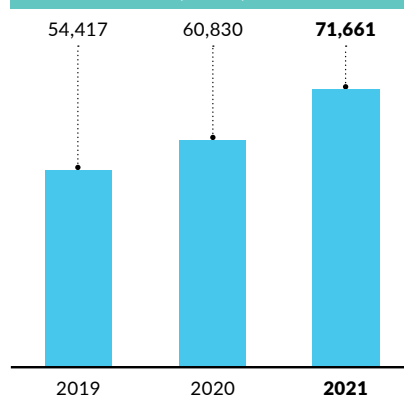


HOW WE CREATE VALUE

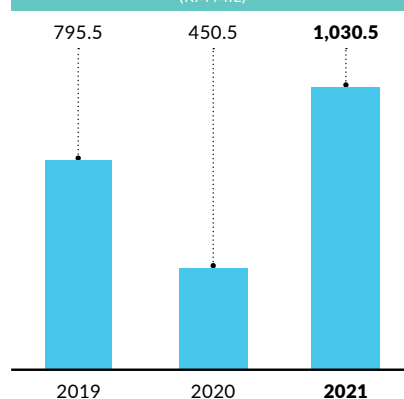
GROSS FINANCING ASSET (RM'MIL)



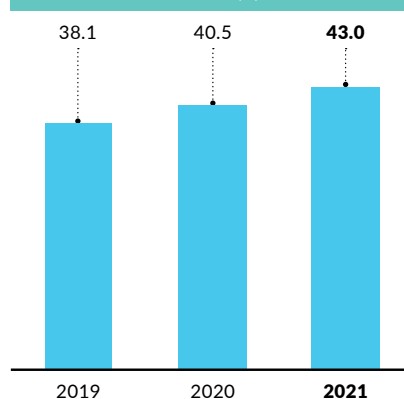
CUSTOMERS' DEPOSITS (RM'MIL)



PRE-TAX & ZAKAT PROFIT (RM'MIL)



ISLAMIC CONTRIBUTION TO GROUP DOMESTIC FINANCING ASSET (%)



KEY BUSINESS INITIATIVES

Driving growth across all Banking franchises through our 'Islamic First' product strategy

OUTCOMES

Business Performance

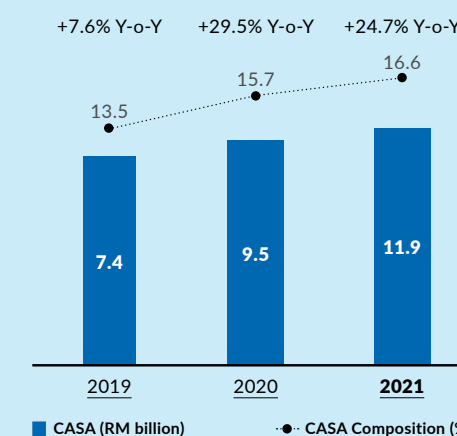
- Registered pre-tax and zakat profit growth of more than 100%, crossing the RM1 billion mark for the first time.
- Total assets grew to RM99.0 billion as at end-2021, a 13.9% increase against RM86.9 billion recorded in the previous year.
- The Bank maintained a gross impaired financing ratio of 0.52%, well below the industry average of 1.23%.
- Gross financing asset grew by 11.4% to RM74.9 billion from RM67.2 billion in 2020.
- Group Community Banking contributed 65.9% of the total Bank's financing asset, recording a growth rate of 14.9% from 2020. Retail Banking contributed 88.4% of the total Group Community Banking's gross financing asset with a growth rate of 12.1%, mainly backed by growth in mortgage financing (16.5%), followed by ASB financing (9.8%), auto finance business (6.9%) and personal financing (6.3%). As at end-2021, gross financing asset for Retail Banking stood at RM43.6 billion against RM38.9 billion in 2020. The SME segment contributed 11.6% to the total Group Community Banking's gross financing asset after experiencing robust annual growth of 42.8%.
- Group Wholesale Banking accounted for 34.1% of the total Bank's gross financing asset, up by 5.2% from 2020. Corporate Banking contributed 94.0% of the total Group Wholesale Banking's gross financing asset, with the remaining balance from the Commercial Banking segment.

Product Launches

- Trade Solution product – the first in the industry to use Bai Istijrar Contract for Trade Financing purposes.
- Hybrid car financing for hybrid, plug-in and electric cars launched in January 2021. As at end-2021, we have provided financing of RM34.8 million.
- The Wakalah Money Market Investment Account ("WMMIA-I") has been enhanced to include PF-i as underlying financing assets, allowing for more appealing product packaging to suit customers' risk appetites.
- Launched Restricted Investment Account-i under Corporate Banking, which leverages underlying financing assets to further improve varieties of product offerings to suit customer demand.

CASA Growth from 2019 to 2021

Improvements were also seen from the CASA perspective with CASA growth for the last three years trending upwards:



Increasing our penetration into government and government agencies, as well as the healthcare ecosystem

In 2021, we made strong headway into the higher education sector. At the same time, we strengthened our presence in the government healthcare ecosystem where we now provide payment and collection solutions to 13 major government hospitals and over 300 large clinics nationwide. In the private healthcare space, we support more than 20 hospitals, providing payroll solutions as well as a wide range of retail financing, and takaful products.

KEY BUSINESS INITIATIVES

OUTCOMES

Contributing to Value-Based Intermediation ("VBI") and sustainability

Rumah Ibadah Hijau Programme

We collaborated with the Malaysian Green Technology and Climate Change Centre ("MGTC") to install solar panels for mosques and religious buildings under the *Rumah Ibadah Hijau* programme. In 2021, we contributed to the installation of solar photovoltaic ("PV") panels in two mosques in Bangi, Selangor and Kangar, Perlis.

Both installations resulted in total savings of RM33,600, while the installation in Kangar is able to offset 800 tonnes of CO₂.

Ocean Harmoni

We issued 69,779 units of the eco-friendly recycled plastic RHB Debit Card-i and collected contributions of RM34,511 to fund marine research carried out by Universiti Malaysia Terengganu under our Ocean Harmoni initiative.

FIT22 INITIATIVES

OUTCOMES

Target 40% of financing asset contribution to the Group

Exceeded the target with 43% financing asset contribution as at December 2021.

Target to reach Top 3 position in financing assets

Maintained the Top 3 position with financing assets of RM74.9 billion as at December 2021.

Target to achieve business mix of 60% Retail, 30% Corporate and 10% Business Banking

Business mix was on track at 58% for Retail, 34% for Corporate and 8% for Business Banking.

OUTLOOK & PROSPECTS

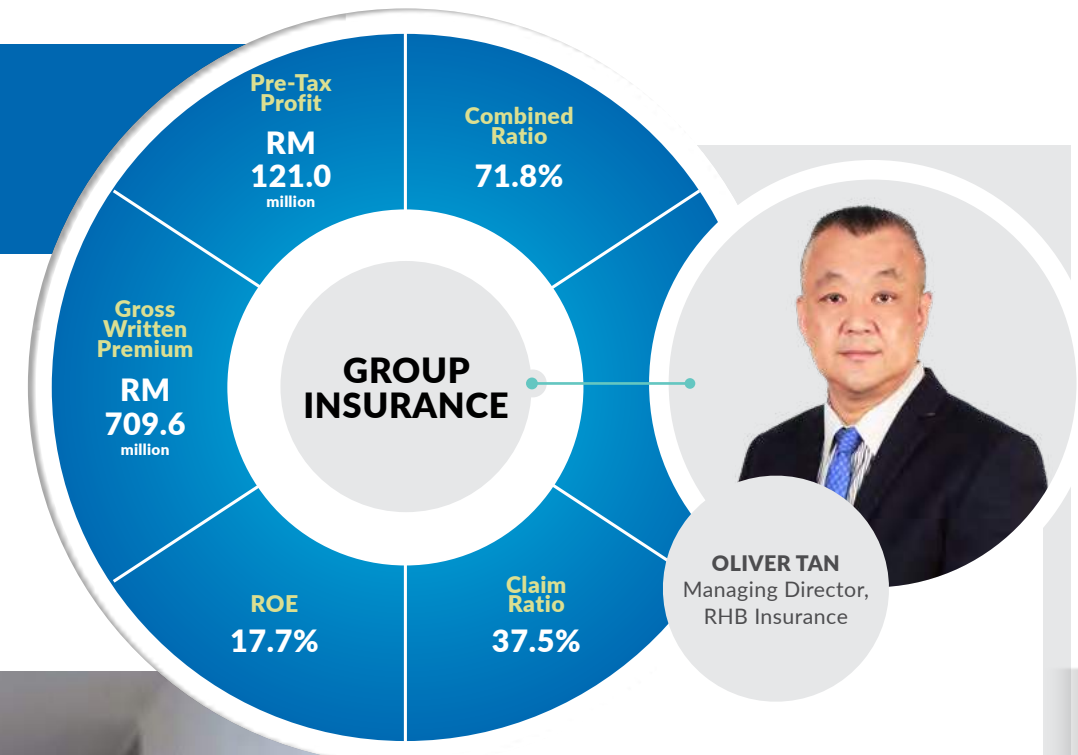
Looking ahead, the Islamic banking industry will be developing digital channels to reach out to more customers and to capture new business opportunities, especially given the shift to digital adoption that has been accelerated by the pandemic. From a sustainability perspective, the growing concerns regarding climate change will also impact Islamic banks as the industry will naturally move towards responsible financing.

Notwithstanding these larger trends, we note the positive economic recovery momentum that began in the fourth quarter of 2021 that will take us well into 2022. RHB Islamic Bank will continue to focus its efforts on improving its leadership position in selected markets and product segments, and on further enhancing its relationships with existing customers, while simultaneously focusing on exploring and developing new relationships.

In 2022, we will be prioritising initiatives that strengthen our core business, especially within the government, health and higher education ecosystems. In addition, there will be a renewed emphasis on capturing new business opportunities in the SME and wealth management business, leveraging the combined strength of RHB Banking Group's physical and digital capabilities.

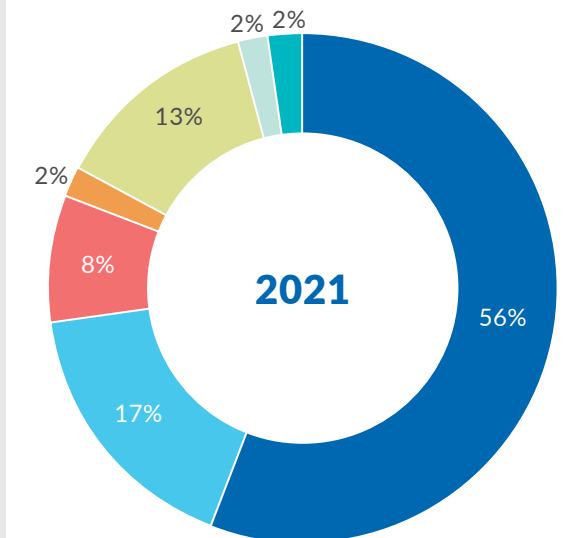
GROUP INSURANCE

RHB Insurance provides general insurance for our retail and corporate customers. It is the 11th-largest insurer in Malaysia and ranks among the Top 10 insurers for Fire, Personal Accident & Motor.



HOW WE CREATE VALUE

GROSS PREMIUM BY BUSINESS DISTRIBUTION CHANNEL



- Agency
- Banca Retail
- Banca Corp and Commercial
- Franchise
- Broking
- Other
- POS

KEY BUSINESS INITIATIVES	OUTCOMES
Distribution Excellence through focused customer campaigns and white labelling/API digital product distribution	We have rapidly scaled up our API/white labelling digital product distribution capabilities with the onboarding of 100 agents in FY2021, which will be further enhanced with an additional 250 agents in 2022.
Deepen Banca Penetration - To ramp up SMEs, cross-selling and product and service innovation to suit customer personas	We have achieved RM11 million in Gross Written Premium for FY2021 from our new SME business and we are aiming for RM15 million in FY2022. Our fee-based income to the Bank for FY2021 was RM2 million and we are working towards achieving RM3 million in FY2022.
Customer-centricity by focusing on car owners, families and SMEs, while also implementing a design thinking approach to product and service innovation	We have enhanced end-to-end customer experience by ensuring customers receive excellent service not only at the point of sales, but more importantly, during the claims process, as well as from panel workshops. As at December 2021, 84% of customers rated the service provided by workshops as satisfactory and above.
Digital Ventures focusing on acquisition, increased stickiness and online/digital products	Total premiums obtained through the Mobile App and Online Insurance increased to RM1.23 million in FY2021 (FY2020: RM1.04 million), mainly resulting from: <ul style="list-style-type: none"> Quick product roll-out through Minimum Viable Products ("MVPs") as part of the Agile way of working - four MVPs were launched through the insurance Mobile App and 11 MVPs through online insurance and white label/API. The launch of MediSure Supreme through online insurance.
Technical Skills - To prepare for liberalisation and empowerment of frontline sales force to provide one-stop service	Our underwriters and frontline staff have been empowered to further improve overall productivity. For instance, we now have 18 marketing staff who have been trained as underwriters. This enhancement of job functions enables quicker turnaround times for policy applications.
Incorporating ESG into our products and operations	<p>We provided maximum discounts for private car comprehensive insurance cover for electric or hybrid cars from August 2021. As at 31 December 2021, we have issued 665 policies generating a Gross Written Premium of RM885,321.</p> <p>In December 2021, we launched 'Motor Saver', in which the premium charged is linked to vehicle mileage. This is an initiative to promote a greener lifestyle by encouraging less car usage, which will help reduce carbon emissions. As at 31 December 2021, we have insured 65 policyholders, contributing a Gross Written Premium of RM44,550.</p>

FIT22 INITIATIVES	OUTCOMES
To be Top 4 in PBT and Top 7 in Gross Written Premium by 2026	<ul style="list-style-type: none"> 2021 was a difficult year for bonds following rising interest yields and even with the resulting mark-to-market investment losses, we continued to deliver PBT of RM121.0 million, albeit 20% lower than 2020. By prioritising customer segments and customer-centric product innovation and providing a seamless end-to-end customer journey through direct engagement with some customers, we achieved consistently high NPS scores of 15 in 2021 and 13 in 2020.
To adopt a customer-centric business model underpinned by digital technology	<ul style="list-style-type: none"> Implementing Robotic Process Automation in our claims registration process for motor, medical and personal accident insurance has improved efficiency and productivity, data quality and turnaround time, resulting in 0.5 Full-time Equivalent ("FTE") savings.

RHB Insurance continued to support our customers throughout 2021 with the Cov-Aid Premium Instalment Scheme and Cov-Aid Premium Relief Scheme. The Cov-Aid Premium Relief Scheme provides financial relief of up to 50% for both new and existing SME policyholders while the Cov-Aid Premium Instalment Scheme enables individuals and SME clients whose income or business have been affected by COVID-19 to repay their premiums via instalments.

Financial Relief provided as at December 2021:

Cov-Aid Premium Instalment Scheme
RM8.8
million gross premiums converted into instalments

Cov-Aid Premium Relief Scheme
RM1.57
million has been granted

OUTLOOK & PROSPECTS

Looking ahead to 2022, we will continue to create customer-centric products and services to defend and capture market share. We plan to launch innovative simple retail policies to provide relevant protection to customers as well as a one-stop insurance solution for SME customers, noting the potential of the untapped SME market. Beyond this, we are constantly exploring ways to improve efficiencies, whether through digitalisation or greater automation. In addition, we will start incorporating ESG criteria to expand the scoping of our investment policies to support the Group's ESG agenda.

GROUP INTERNATIONAL BUSINESS

Group International Business ("GIB") comprises our commercial banking and investment banking* portfolios overseas. We have a strong presence through an established network of offices and branches across Singapore*, Indonesia, Thailand, Vietnam, Brunei, Laos, and Cambodia.

We offer a wide variety of products and services to customers of all segments, ranging from loans, deposits, wealth management solutions and trade financing to stockbroking, derivatives and capital market-related services such as initial public offerings, raising of debt capital and mergers & acquisition.

* Singapore and overseas investment banking operations have been included as part of Group International Business since February 2021.



FY2021 PERFORMANCE

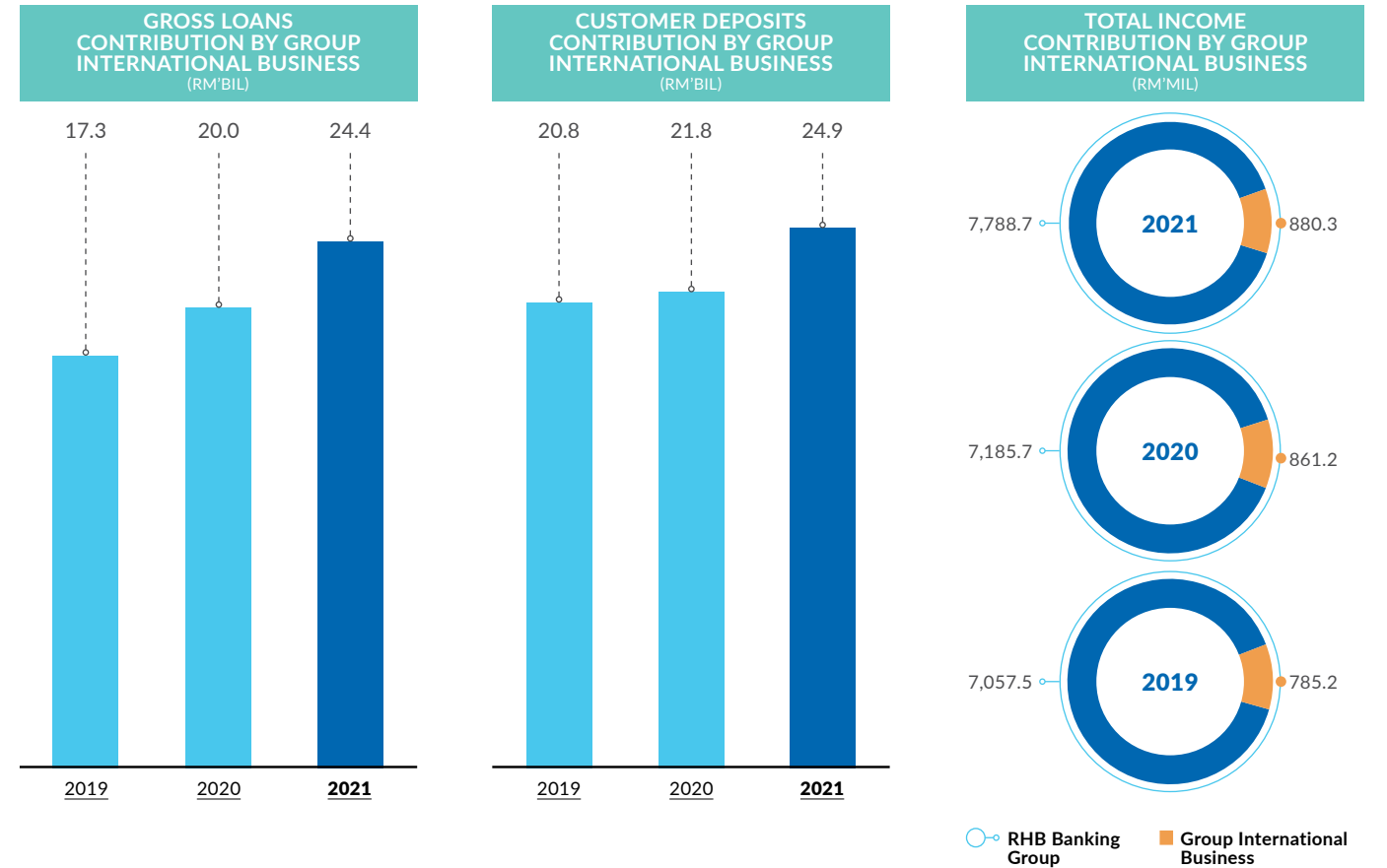
GIB continued to grow from strength to strength notwithstanding the challenges posed by the pandemic. With the addition of the Singapore and regional Investment Banking operations to GIB during the financial year, we are activating the many opportunities presented by the greater synergies that have been created.

Throughout 2021, our franchises across the region focused on improving their contribution to the Group's loans growth and profitability objectives, protecting asset quality and being active participants in progressing the Group's sustainability agenda.

In the year under review, the pre-tax profit of GIB grew from RM6.7 million to RM149.6 million, supported by strong loans and deposits growth of 22.1% and 14.1%, respectively. Asset quality also improved with gross impaired loans ratio dropping from 4.68% to 2.42%.



HOW WE CREATE VALUE



Note: Performance includes Singapore and IB overseas operations.

CREATING VALUE, SUSTAINING GROWTH

BUSINESS PERFORMANCE

SINGAPORE

Our Singapore operations reported a pre-tax profit of SGD36.5 million, attributed to higher net fund based and non-fund based income. Gross loans and advances grew 23.0% to SGD6.3 billion, while deposits grew 15.0% to SGD6.7 billion.

Throughout 2021, in various lead roles and capacities, we assisted several Singapore-listed REITs to raise capital across the debt-to-equity spectrum. We acted as one of the lead arrangers in a SGD1.2 billion term and revolving facility in support of the privatisation of a Singapore-listed REIT.

We were also the sole lender on a loan facility of AUD68.5 million to a Singapore-listed REIT, a landmark transaction to fund their investment in Australia, which was the REIT's maiden acquisition outside of Singapore.

Additionally, we were mandated joint global coordinator and bookrunner on an SGD126.7 million equity fundraising for a Singapore-listed REIT in which the net proceeds were used to support the REIT's pivot from a pure-play office REIT to a diversified REIT.

Notwithstanding the challenging environment with COVID-19, commercial banking continued to see a healthy total assets growth year-on-year. Commercial loans grew 27.7%, due to concerted efforts to grow quality secured loans such as Enterprise Singapore government loans and commercial property loans to support the SMEs.

As part of our transformation journey, we have started to reposition our network of branches to bring our services to our customers more strategically. To this end, we opened our Orchard Premier Centre in September 2021, a flagship regional wealth management centre with a Peranakan theme inspired by the shared cultural heritage of Singapore and Malaysia. RHB Premier offers a holistic suite of investment, insurance and financing solutions, focusing on growing the affluent client segment in Singapore and the region.

Our wealth management fee income rose by more than 166.9% in 2021 and was at its highest in 10 years. Retail loans also grew by 46.6% to SGD1.43 billion.

OPERATIONAL REVIEW

OPERATIONAL REVIEW

BUSINESS PERFORMANCE

CAMBODIA

Our Cambodia subsidiary reported a pre-tax profit of USD19.1 million, close to six times higher than the 2020 profit of USD2.7 million, on the back of a 10.4% increase in total income. Gross loans and advances grew 16.1% to USD679.2 million.

Through strict credit discipline and higher recovery, allowances for ECL comprised a writeback of USD1.6 million, resulting in a positive credit charge ratio for the year. Recovery of impaired accounts also improved by more than 50% in 2021, with the total recovery amount valued at USD3.1 million.

In June 2021, we launched 'goWave by RHB', which is a financial literacy website developed by the bank to support the National Bank of Cambodia's agenda to increase financial literacy and inclusion. This content platform aims to increase the financial literacy of Cambodian young adults through useful bite-sized articles, video capsules and financial tools spread across the digital space, including its own website, as well as social media platforms (Facebook, Instagram and YouTube).

To date, goWave has managed to attract more than 200,000 young adults to its goWave Facebook page to discover financial knowledge in a fun and engaging platform.

One of our key digital solutions, RHB Reflex, was also launched on 15 June 2021, providing an integrated banking solution with cash management, trade and payments capabilities for our corporate customers.

RHB Cambodia's website was ranked in the top four of Cambodia's financial industry by Amazon Alexa in 2021, up from a mid-teen ranking.

RHB Cambodia won three awards in different categories that increased brand visibility, its first-ever banking awards won since inception:

- Most Innovative New Online Financial Literacy Platform from International Finance for our goWave platform.
- Most Innovative New Business Banking Payment Solutions App from International Finance for RHB Reflex.
- HR Asia Best Companies to Work For in Asia.

THAILAND

Our Thailand branch recorded a pre-tax profit of THB80.4 million, maintaining CIR below 60% and supported by good momentum of loans and deposits growth of 10.7% and 11.0%, respectively. We continued to grow our market share in the more profitable and

high-security coverage commercial and SME segments, shifting our loan portfolio from the heavily weighted corporate segment to a more balanced mix of commercial and SME segments.

LAOS

Due to the pandemic and poor asset quality, our Laos operations continued to register losses as we set aside substantial provisions in 2021. Nevertheless, we believe the worst is over for our Laos operations as we continue to grow cautiously.

However, customer deposits grew 36.9%, leading to a significant improvement in the loan deposit ratio. Meanwhile, corporate and SME loans comprised 23.0% of our loans mix and were on an upward trend, in line with our strategy.

BRUNEI

Our Brunei branch posted higher non fund based income by 17.4% and highest pre-tax profit in the last five years at BND1.5 million

notwithstanding the setback caused by the pandemic and slower loan growth of 5.0%.

INVESTMENT BANKING

Our overseas IB operations turned around in 2021, with a profit of RM25.1 million. Singapore, Indonesia and Cambodia contributed

profit of RM16.9 million, RM13.3 million and RM1.0 million, respectively, while Thailand and Vietnam continued to register small losses.

GROWTH STRATEGIES

SINGAPORE

Through active capital recycling, we created capacity to undertake attractive business opportunities and yet operate within various regulatory caps and ratios, thus sustaining RHB Singapore's position in the marketplace as an active player.

We fulfilled all conditions set by the Singapore Exchange ("SGX") for authorisation of RHB Singapore as a Catalyst Full Sponsor and Mainboard Issue Manager, which enabled us to continue to deliver comprehensive advisory and transactional execution services for our clients across a wide range of corporate finance products, including initial public offerings, secondary fundraising, listing sponsorships and capital structure solutions.

With Singapore as a leading financial services hub, the regional wealth management business segment will be a key growth engine. The RHB proposition has been strengthened by an open architecture strategy, partnering with multiple leading insurers and investment houses to give clients wider choices. Our Regional Premier Banking service also offers cross-border convenience and extends the full suite of wealth management and financing solutions to regional clients with a seamless customer experience.

CAMBODIA

We are currently growing our retail franchise via our digital initiatives, supported by mortgage and premier banking products. We also intend to expand our SME business with the roll-out of SME programme lending and the new target operating model in 2022. In addition, the corporate and investment banking franchise will intensify collaboration to drive fee revenue and to nurture SMEs

towards potential listings on the stock exchange. This teamwork showed promising results in 2021 with successful loans jointly completed totalling USD17 million and a 50% revenue uplift from our list of identified customers. Through this initiative, the team also won a new IPO deal in 2021.

THAILAND

We will continue our focus on growing the commercial and SME segments, targeting industries such as renewable energy, medical and healthcare, information and communications technology services and businesses supplying products and services to the

government. We will also further drive our 'one-country' strategy forward by harnessing the synergies created from having both a commercial banking and an investment banking presence in Thailand to better serve our customers.

LAOS

Our overall strategy includes strengthening the fundamentals and focusing on being the bank of choice for specific customer segments. In parallel with loan recovery, loan growth will be moderated with

a prudent risk appetite as we shift focus to corporate and SME lending, while expanding our transactional and deposits customer base.

BRUNEI

We will cautiously expand our portfolio during this pandemic phase while striving to progressively deepen our wallet share through the identified top clientele with whom we have engaged in the market. Our Brunei branch will also be relocating to a more strategic

location with higher customer traffic and closer to our clients and their businesses. We will be introducing a safe deposit box service, in addition to installing cash deposit and cheque deposit machines to improve efficiency.

INVESTMENT BANKING

Retail equities have been the key driver of our regional investment banking businesses and we will focus on a digital strategy to accelerate account acquisitions to build higher scale in this space. We are also exploring strategic partnerships as part of a new business model to jump-start business growth.

existing CIB model seeks collaboration and referrals, providing our customers with more comprehensive and tailored solutions.

The newly established 'Hub & Spoke' model will assist all countries with product expertise, structuring and distribution while the

We have also taken decisive actions to exit businesses that are either non-core or non-competitive, as in the case of the asset management business in Indonesia and securities business in Hong Kong.

OPERATIONAL REVIEW

OPERATIONAL REVIEW

ESG INITIATIVES

SINGAPORE

In 2021, our Singapore operations extended green loans totalling SGD115 million to support our customers' acquisition and/or development of green properties in Singapore and Australia.

As one of the early adopters of ESG metrics in investment evaluations, the research team, in collaboration with the institutional equities team and the SGX, hosted a country-specific ESG event in November 2021. In addition, the team has incorporated our proprietary ESG ratings into stock valuation criteria to give our investors a better perspective of potential investments.

Within RHB Singapore, we implemented a series of workshops to equip staff with knowledge of the bank's ESG initiatives and to reinforce a strong culture to support sustainability development in Singapore. The workshop topics included 'Environmental Sustainability, Climate Change & Financial Institutions', 'Waste Management' and 'Eco Labels and Certifications'. Around 60 staff attended these workshops.

The treasury team has also started to incorporate sustainability into its investment activities and has invested SGD27 million worth of 'sustainable financing/activities' bonds.

CAMBODIA

In 2021, RHB Cambodia entered into a green financing facility agreement to finance the development of a new 20 MW solar power plant by a Malaysia-based electrical power technology company in Svay Teab District, in Svay Rieng Province of Cambodia. The facility granted by RHB Cambodia led to the successful development and commissioning of the plant in January 2022.

RHB Cambodia is also a member of the Sustainable Finance Committee and the Financial Inclusion Committee of the Association of Banks in Cambodia ("ABC"), with the objective of having a greater impact on the country's ESG agenda. We also helped to drive financial literacy among young adults in Cambodia through our goWave community platform.

THAILAND

In Thailand, we have onboarded new green & sustainable lending customers in the renewable energy sector and provided financing

amounting to over THB1 billion. Our treasury team has also invested close to THB0.4 billion in green or sustainable bonds.

LAOS

We will intensify our efforts to enrich and empower by sharing ESG-related information through our webinar series 'The Journey of

Progress' to create awareness and educate the Laotian community on ESG and to enhance their general financial literacy levels.

DIGITAL/OPERATIONAL IMPROVEMENTS

SINGAPORE

Retail banking has digitally enabled branch service and sales interactions. Staff-assisted digital forms that allow quicker processing and backend automation are being implemented in phases. The initial roll-out supports straight-through account opening for customers with more services being added in the year ahead. Retail banking has also enhanced its mobile banking

capabilities with 80% of individual accounts now opened via the RHB Mobile SG app.

The Treasury team successfully transitioned the front-end system to cater for SGD SORA and USD SOFR benchmarks, which enables us to offer derivative products based on these two benchmarks.

CAMBODIA

In 2021, RHB Cambodia implemented the Branch Transformation Initiatives to improve service delivery and to lay the foundation of operational excellence in the long term. One noticeable achievement arising from this initiative was the improvement in the average waiting time, with 98% of our customers served within 5 minutes for over-the-counter transactions at our branches. We will be accelerating our digitalisation efforts by rolling out the RHB

Cambodia Digital Retail Bank in 2022, which will transform our internet and mobile banking platforms to provide a more seamless and efficient experience for our customers. In addition, we will be investing in various initiatives to achieve operational excellence in 2022, such as automation of reports and processes and a new financial and procurement system and human resource system.

THAILAND

We continue to seek operational improvements within the branch with the aim of improving the productivity and efficiency of our

employees, among which we commence the Regulatory Data Transformation ("RDT") project.

LAOS

We will improve our infrastructure to support internal process automation, focus on product diversification by introducing new

products such as banca and reaffirm our relationships with both corporate and retail customers in order to grow prudent asset quality.

OUTLOOK & PROSPECTS

Going into 2022, overall prospects remain challenging given the persistence of the pandemic. We will continue to explore growth opportunities across key markets within the region, while remaining cognisant of the need to closely monitor asset quality. We will also continue supporting RHB's broader sustainability agenda, in line with the growing interest of investors, by pursuing more green financing-related opportunities, supporting the growth of ESG-related businesses and investing in green financial instruments with an overall ESG contribution by GIB of RM2.0 billion by 2026.

Singapore

While the emergence of COVID-19 variants could create some volatility, we believe Singapore will maintain the gradual reopening of its economy. It is expected that Singapore's economic growth will moderate in 2022 from an exceptionally high growth rate of 7.6% in 2021. Nevertheless, Singapore will still register an 'above-trend growth' in 2022, as contributions to GDP growth from the various sectors will become more balanced, and the recovery more broad-based.

We believe Singapore banking system loans will continue to grow at a healthy pace, albeit a moderation from the high single-digit increase in 2021, as the low base effect wears off. Net interest margin prospects are improving as persistent inflation pressures point to an imminent interest rate upcycle by major central banks. Asset quality, which was resilient in 2021, is expected to remain solid in 2022 notwithstanding the early stage of economic recovery. Thus, we will look to further diversify our loan portfolio, which is resilient and experiencing growth, with a focus on extending more secured loans and selectively pursuing better-structured unsecured deals. For real estate lending, we will focus on good-quality assets with a diversified tenancy base. We will also leverage our strength in providing multi-product options to our clients across corporate finance, loans, treasury, equities and Mergers and Acquisitions ("M&A"), while intensifying cross-border deals in support of existing key clients.

Cambodia

In Cambodia, the economic outlook for 2022 is positive on the back of global recovery, tourism revival and rising exports. Cambodia's trade will be further bolstered with the ratification of the Regional Comprehensive Economic Partnership ("RCEP"), the Cambodia-China FTA and Cambodia-Korea FTA, which will provide preferential market access and transfer of production technology for the economy. This is also expected to attract foreign direct investment inflows to boost the external sector and investment. The consensus is that the economy will expand by around 5.5% in 2022, with recovery expected in the tourism sector and exports of non-garment products such as electrical spare parts and bicycles.

Thailand

With substantial impacts from the pandemic, the Thai economy is expected to return to pre-COVID-19 levels post-2022. It is expected that the BOT will delay raising interest rates from record lows by at least a year to support the tourism-dependent economy hit hard by COVID-19-related travel restrictions. We foresee a slight resumption of major industries in our portfolio on the back of steadily strengthening demand, completion of the vaccination programme and the reopening of the country to foreign arrivals.

Laos

2022 GDP growth for Laos has been forecast to be positive but challenging at 4.2%. The COVID-19 pandemic may continue to be a setback; however, the completion of infrastructure projects and the expectation of a fully open economy, together with the government's five-year socio-economic development plan (2021-2026), are expected to moderate the outlook.

We are cautiously optimistic about the outlook for our overseas investment banking business, given the US Federal Reserve's withdrawal of massive liquidity from the system in response to the threat of rising inflation rates. Nevertheless, our overseas investment banking operations are now in a better shape to withstand higher volatility of business swings arising from global realignment.

SUSTAINABILITY OVERVIEW



CREATING AND SHARING VALUE

We continued to progress in our sustainability journey despite the challenges and headwinds brought about by COVID-19 and the prolonged Movement Control Order ("MCO"). As a financial services provider, we are in a unique position to create value for our stakeholders. Led by our vision of Building a Sustainable Future, our approach to sustainability is guided by the Group's Sustainability Framework.

Our sustainability journey began in 2018 with the development of the Group Sustainability Framework, anchored on 10 Sustainability Principles and the three thematic pillars of Sustainable and Responsible Banking, Embedding Good Practices and Enriching and Empowering Communities.

In 2021, we refreshed our sustainability strategy and enhanced our sustainability governance to better integrate Environmental, Social and Governance ("ESG") considerations within the Group's business and operations, while also focusing on promoting sustainability and inclusive growth.

PILLARS

Pillar 1: Sustainable & Responsible Banking

Pillar 2: Embedding Good Practices

Pillar 3: Enriching & Empowering Communities

REFERENCES

To read about how we engage with our stakeholders, refer to Engaging With Stakeholders from pages 42 to 47 of this Report.

For more on our Material Matters, refer to pages 48 to 49 of this Report.

For more information on how we generated positive impacts for our stakeholders in 2021, please read about our sustainability performance in our stand-alone Sustainability Report 2021.



OUR ESG ACCOLADES AND RECOGNITION

FTSE4Good Index Series

Remained a constituent of the **FTSE4Good Bursa Malaysia Index** as at December 2021

Top 25%

by ESG Ratings among public listed companies in FTSE Bursa Malaysia EMAS Index as at December 2021

S&P Global ESG Score

RHB Bank Berhad scored **47/100** in the 2021 **S&P Global Corporate Sustainability Assessment**, reflecting an improvement of **4** points over the past one year

MSCI ESG Ratings

Maintained an AA rating (Leader) in **MSCI ESG Ratings** since September 2019



Scan the QR code to read and download Our Approach to Sustainability document.



Scan the QR code to read more about our sustainability initiatives and progress.

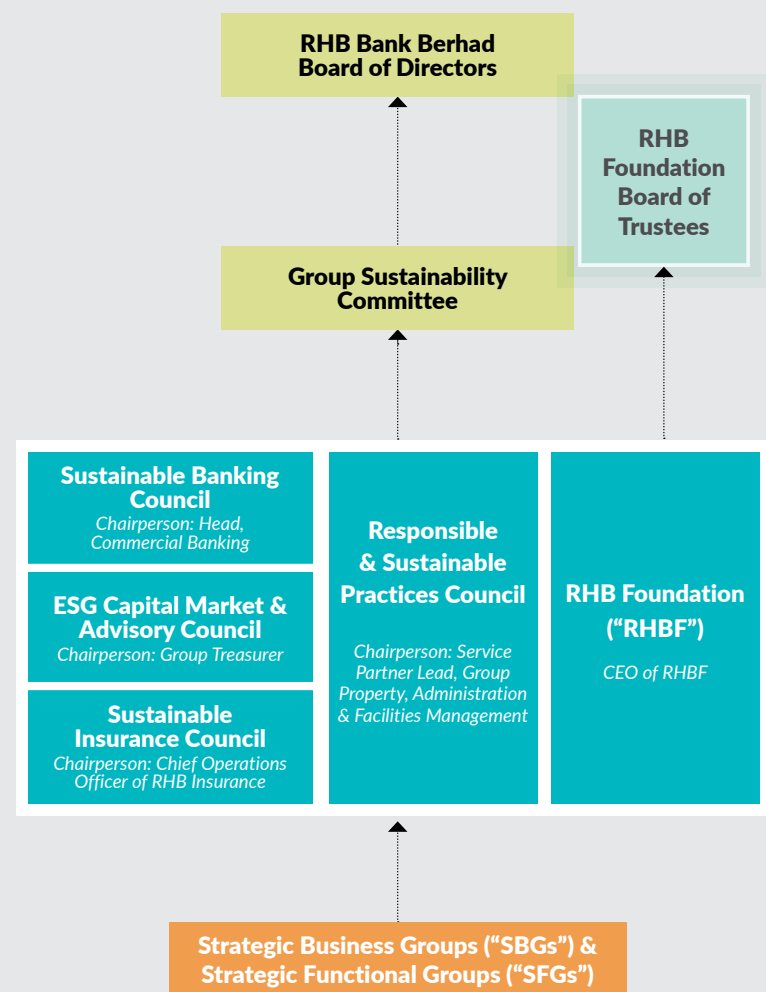


SUSTAINABILITY GOVERNANCE

In 2021, we enhanced our sustainability governance with the establishment of the Group Sustainability Committee ("GSC"), comprising the Group's Senior Management and chaired by the Group Managing Director. The GSC is supported by four Councils, namely the Sustainable Banking Council, ESG Capital Market and Advisory Council, Sustainable Insurance Council and Responsible and Sustainable Practices Council.

We adopt a top-down approach in our sustainability governance, whereby the Group's Board of Directors holds ultimate responsibility for the Group's sustainability strategy, which includes governance, key priorities, targets and integration of ESG considerations across the Group's business and operations. With clear oversight by the Board, we are able to better align with local and international best practices as well as reporting and disclosure requirements.

RHB Bank Sustainability Governance Structure



For more information on RHB's Sustainability Governance, please refer to Sustainability Governance in the Sustainability Report 2021.

RHB BANK BERHAD BOARD OF DIRECTORS

The Board has the ultimate responsibility for the Group's sustainability strategy and direction, including matters on climate change, and oversees the Group's sustainability practices towards embedding ESG considerations across the Group's strategies, risk management and decision making process.

GROUP SUSTAINABILITY COMMITTEE

The GSC strategically drives the Group's sustainability and climate agenda, in line with the Group's strategic direction and commitments, sustainability vision, prioritised United Nations Sustainable Development Goals ("UN SDGs") and sustainability pillars, as guided by the Group Sustainability Framework.

SUSTAINABILITY COUNCILS

- Sustainable Banking Council
 - ESG Capital Market and Advisory Council
 - Sustainable Insurance Council
 - Responsible and Sustainable Practices Council
- The execution of the Group's sustainability strategy and key focus areas.
- Comprise key senior leaders and Sustainability Champions and conduct their meetings on a quarterly basis.

RHB FOUNDATION

The RHBF manages and drives the Group's third Sustainability Pillar - Enriching and Empowering Communities. The Board of Trustees of the RHBF has oversight of the programmes being undertaken by the RHBF and the impact these programmes have on the community.

SBGs AND SFGs

The SBGs and SFGs, represented by their respective Champions, execute and implement sustainability initiatives and programmes and monitor the performance of metrics and targets.





CLIMATE CHANGE

Task Force on Climate-related Financial Disclosures Content Index
We have been incrementally stepping up our efforts in disclosing our climate-related risks and opportunities by adopting a phased approach. In the year under review, we moved from a soft approach to the adoption of the Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") as reflected in this table, which addresses TCFD-recommended disclosures across our reporting suite and other publicly available information.



For more information on RHB's alignment with the TCFD, please refer to Climate Change - TCFD in the Sustainability Report 2021.

RECOMMENDED DISCLOSURE	SECTION OR REFERENCE
<p>GOVERNANCE</p> <p>a) Describe the Board's oversight of climate-related risks and opportunities</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p>SR Sustainability Governance CC External: Board Charter SR Environmental Stewardship > Climate Change</p> <p>SR Sustainability Governance SR Environmental Stewardship > Climate Change SR People & Workplace > Talent Management & Development > Sustainability Capability Building & Awareness</p>
<p>STRATEGY</p> <p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</p> <p>b) Describe the impact of climate risks and opportunities on the organisation's businesses strategy and planning</p> <p>c) Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>SR Sustainability Approach > Sustainability Strategy 2022-2026 SR Sustainable Financing > ESG Risk Management SR Sustainable Financing > Green Financing SR Environmental Stewardship > Climate Change SR Appendix > Membership & Association</p>
<p>RISK MANAGEMENT</p> <p>a) Describe the organisation's processes for identifying and assessing climate-related risks</p> <p>b) Describe the organisation's processes for managing climate-related risks</p> <p>c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management</p>	<p>SR Sustainable Financing > ESG Risk Management SR Environmental Stewardship > Climate Change SR Risks & Opportunities SR Statement on Risk Management and Internal Control</p>
<p>METRICS AND TARGETS</p> <p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</p> <p>b) Disclose scope 1, scope 2 and, if appropriate, scope 3* Greenhouse Gas ("GHG") emissions and the related risks</p> <p>c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets</p>	<p>SR Sustainable Financing > ESG Risk Management SR Sustainable Financing > Green Financing SR Environmental Stewardship > Climate Change SR Sustainability Approach > Sustainability Strategy 2022-2026</p> <p>SR Environmental Stewardship > Climate Change SR Performance Data > Environment</p> <p>SR Sustainable Financing > Green Financing SR Sustainability Approach > Sustainability Strategy 2022-2026 SR Environmental Stewardship > Climate Change SR Performance Data > Environment</p>

*Notes:
Scope 1: Direct emissions from stationary combustion (generator sets) and mobile combustion (Company-owned vehicles).
Scope 2: Indirect emissions from purchased electricity and cooling.
Scope 3: Indirect emissions from business travel.

OUR APPROACH TO SUSTAINABILITY

The Group's Sustainability Framework consists of three thematic pillars with nine focus areas that are aligned to our Material Matters. The focus areas address our ESG impacts and the integration of sustainability considerations into our business and operations to support the country's transition to a low-carbon economy. This enables us to identify opportunities and mitigate risks, apart from meeting stakeholder needs to continue creating value.

We have continuously strengthened our sustainability strategy by reviewing the Sustainability Framework and our key commitments periodically to ensure its relevance and alignment with the Group's corporate strategy as well as the rapid changes in the business environment. This has not only helped in the implementation of robust policies and initiatives, but also in meeting our targets towards generating long-term positive impacts.

In the third quarter of 2021, we undertook a major exercise to review and refresh our Sustainability Framework and to establish our sustainability strategy for the next five years. As a result, a holistic 5-year (2022-2026) Sustainability Strategy and Roadmap was developed as part of the Group's long-term strategy. The new strategy will further guide us in embedding ESG considerations in the Group's business and operations, enabling us to create value by providing sustainable and responsible financial services, promote inclusive growth, nurture customers, employees and communities, as well as uphold good governance.

SR For more information on RHB's Material Matters, please refer to Our Material Matters in the Sustainability Report 2021.

5-Year (2022-2026) Sustainability Strategy and Roadmap

Sustainability Purpose: To be a sustainably responsible financial services provider by promoting sustainable and inclusive growth, and nurturing customers, employees and communities, while upholding good governance to create value.

- Our aspirations are to -
- Support sustainable development by mobilising RM20 billion in sustainable financial services by 2026
 - Empower more than two million people across ASEAN by 2026
 - Achieve carbon neutral operations by 2030

<p>Sustainable & Responsible Financial Services</p> <p>Integrate ESG considerations into our business strategies and decision-making process while nurturing customers and communities towards achieving sustainable growth</p> <p>Focus Areas</p> <ul style="list-style-type: none"> • Sustainable Financial Services - Create positive impact through our lending, capital markets, wealth management, deposits, investment, asset management and insurance business • Financial Inclusion & Empowerment - Provide financial services to targeted segments of the community (students, new to workforce, SMEs, microenterprises, etc.) to promote inclusion 	<p>Embedding Good Practices</p> <p>Foster responsible practices and nurture a sustainable culture within our organisation</p> <p>Focus Areas</p> <ul style="list-style-type: none"> • Ethics & Conduct - Uphold integrity, ethics and compliance through robust policies and practices • Environmental Stewardship - Improve internal environmental footprint while promoting resource management and green practices • People & Workplace - Nurture a fair, diverse, inclusive and sustainable workforce • Sustainable Procurement - Promote responsible and sustainable practices 	<p>Enriching & Empowering Communities</p> <p>Create long-term positive impact on the communities, focusing on nurturing children and young adults</p> <p>Focus Areas</p> <ul style="list-style-type: none"> • Nurturing Future Generations - Promote resilience in children and young adults through a holistic learning and development programme • Lifting Communities - Improve the lives of vulnerable & underserved members of the community through meaningful initiatives that build capacity, develop skills and promote volunteerism 	
<p>Governance Robust sustainability governance across the Group to drive decision-making and provide appropriate oversight of sustainability</p>	<p>Data & Technology Leverage data points and technology for monitoring and reporting to ensure reliability, credibility and trust</p>	<p>Human Capital & Training Attract, retain and develop people with the right skill sets and capabilities to support the sustainability agenda</p>	<p>Partnership & Advocacy Build trusted partnerships and continuously advocate for and nurture others towards sustainable practices</p>

SR For more information on RHB's sustainability approach, please refer to Group Sustainability Framework in the Sustainability Report 2021.

SUSTAINABILITY OVERVIEW

PILLAR 1 SUSTAINABLE & RESPONSIBLE BANKING | PILLAR 2 EMBEDDING GOOD PRACTICES | PILLAR 3 ENRICHING & EMPOWERING COMMUNITIES

ALIGNMENT & CONTRIBUTION

Key Capitals <IR>



Value to Stakeholder(s)

- Shareholders & Investors
- Customers
- Business Partners
- Regulators & Policymakers



For more information on RHB's performance and initiatives in Sustainable & Responsible Banking, please refer to Pillar 1 in the Sustainability Report 2021.

As a financial services provider, we play an important role in providing innovative solutions for customers and clients, building a sustainable community and accelerating the transition to a low-carbon economy. In recent years, we have integrated ESG considerations into our risk management and decision-making processes across key business activities that include lending, capital market and advisory, investment and insurance. We create value for our stakeholders and protect the environment by promoting sustainable development through our green financing commitment and by nurturing our customers towards adopting sustainable business practices.



SUSTAINABLE FINANCING

Focus Area(s) and Material Matter(s)

- Sustainable Financing
- Risk Management
- Climate Change*
- Financial Inclusion and Education*
- Financial Performance

- Expanded the **ESG Risk Assessment tool from five in 2020 to eight ESG-Sensitive Sectors**. The eight sectors are as follows:
 - Palm Oil
 - Iron, Steel and Other Metals
 - Cement
 - Plastics
 - Oil & Gas
 - Power Producers
 - Wood Products
 - Chemicals
- Effective 2022 onwards:
 - **Position on coal activities:** RHB will not pursue opportunities or provide financing for any new thermal coal mine projects and coal-fired power plant projects.
 - **Position on NDPE:** For the agriculture, forestry and palm oil sectors, RHB will only support responsible companies that demonstrate alignment with the No Deforestation, No New Peat and No Exploitation ("NDPE") policy.
- Kickstarted the Group Climate Action Programme, towards managing the risk of climate change in the Group's business and operations.
- **RM4.32 billion** was extended under the RM5 billion Green Financing Commitment by 2025 in support of green activities, of which about **20.7%** or **RM894.56 million** was granted towards supporting renewable energy projects.
- Launched the RHB **Sustainability Financing Programme**, a green financing product bundling programme for SME and retail customers focusing on Green Energy, Green Buildings, Green Process and Green Products. As at end-December 2021, a total of RM44.36 million has been extended.
- Key **Sustainable and Responsible Investment ("SRI")/ESG programmes** and deals that focused on social and sustainable development:
 - **Cagamas Berhad's ASEAN Sustainability Bonds** – Lead arranger for Cagamas' issuance of RM300 million two-year ASEAN sustainability bonds
 - **Sukuk Wakalah Programme** – Sole lead arranger, principal adviser, joint lead manager, facility agent, Shariah adviser and commodity trading participant for SME Bank's RM3 billion Sukuk Wakalah Programme and its inaugural issuance of the country's first Sustainability Sukuk by a development financial institution ("DFI"), valued at RM500 million.

* Material matter appears in more than one Focus Area.

Primary SDGs



SUSTAINABILITY OVERVIEW

PILLAR 1 SUSTAINABLE & RESPONSIBLE BANKING | PILLAR 2 EMBEDDING GOOD PRACTICES | PILLAR 3 ENRICHING & EMPOWERING COMMUNITIES

SUSTAINABLE FINANCING

- Structured and executed **Malaysia's first Green Cross-Currency Interest Rate Swap** transaction set against ESG-linked Key Performance Indicators ("KPIs") to hedge a USD100 million (RM432 million) two-year sustainable loan.
- Launched **four SRI-qualified ESG funds** to meet the growing appetite for ESG investments, with **RM836 million** in combined AUM achieved in FY2021 across the four funds. These funds allow investors to participate in long-term sustainability-focused investments centred on climate change, healthcare, empowerment and sustainable infrastructure.
- Hosted industry engagement and capability building sessions to sharpen ESG investing knowledge and decision-making, such as 'RHB ESG Forum – Envisioning A Better Future' and 'When Shariah Meets ESG'.

CUSTOMER-CENTRIC BANKING

Focus Area(s) and Material Matter(s)

- Customer Relationship Management
- Fair Treatment of Financial Consumers ("FTFC")

- RHB achieved a Net Promoter Score ("NPS") of **+15**, ahead of competitors by **+4 points** in Malaysia; while Singapore operations also recorded a positive NPS of +9 and was +20 points ahead of its competitors.
- **More than 5,500** frontliners received Disability Related Service Training ("DRST"), which provided the frontliners with the right service skills in handling deaf, blind and disabled customers.
- Resolved **99.6%** of customers' feedback or grievances within the Group's Service Level Agreement of two working days for Premier customers and three working days for non-Premier customers.
- Provided Mobile Bank Services (Mobile Vehicle) to the underserved/rural communities in Asajaya and Sadong Jaya in Sarawak.
- RHB is committed to the FTFC in managing our business.
- Incorporated the principles of FTFC into our Complaints Management Manual and Policy for guidance and internalisation.
- The Complaints Management Process is governed by Customer Advocacy, which ensures that every complaint is resolved fairly, promptly and effectively.

DIGITALISATION

Focus Area(s) and Material Matter(s)

- Digitalisation and Investment in Technology
- Financial Inclusion and Education*

- Digital transactions grew from **64%** in 2017 to **93%** in 2021, including ATM transactions (**86%** without ATM transactions).
- Digital Business Origination grew from **<1% in 2017 to 25% in 2021**.
- Introduced "Dragon's Den", an initiative to motivate employees to innovate new product ideas or processes that will add value to the Group and contribute to the sustainable growth of the Group.
- Comprehensive Digital ecosystems for Retail and SME customers, which include MyHome App, RHB Partners App, RHB SME Online Banking and RHB Financing (SME) Mobile App.
- Investment commitments:
 - RM200 million in CAPEX on digital investments between 2018 and 2022
 - RM300 million for IT Modernisation Programme to future-proof our technologies and adopt modern architecture like Cloud and DevOps between 2019 and 2022.
- Under RHB's Digital Transformation Programme, we target to achieve the following by 2026:
 - 15% revenue from ecosystem partnerships (embedded finance)
 - Digital transactions to exceed 95% of total customer transactions
 - 50% customer acquisition done digitally
 - Top 3 in DuitNow transactions by volume
 - Analytics-driven benefits to be 10% of PBT
- Plan to roll out Digital Academy in 2022 to accelerate the Group's transformation towards becoming a digital-first organisation by building digital capabilities, cultivating a digital mindset and driving the adoption of cutting-edge technologies through Group-wide and targeted initiatives that will be made possible through collaborations with strategic key partners.

* Material matter appears in more than one Focus Area.

PILLAR 1 SUSTAINABLE & RESPONSIBLE BANKING | PILLAR 2 EMBEDDING GOOD PRACTICES | PILLAR 3 ENRICHING & EMPOWERING COMMUNITIES

ALIGNMENT & CONTRIBUTION

Key Capitals <IR>



Value to Stakeholder(s)

- Employees
- Business Partners
- Regulators & Policymakers



For more information on RHB's performance and initiatives in Embedding Good Practices, please refer to Pillar 2 in the Sustainability Report 2021.

Embedding good practices is fundamental to the long-term sustainability of the Group. We strive to foster and integrate sustainable practices and responsible behaviour within the Group by upholding high standards of corporate governance and sound business conduct, and we promote a workplace culture that is engaging, inclusive and compassionate. At the same time, we strive to implement eco-friendly practices within the workplace and improve our internal operational footprint by adopting and implementing various initiatives and programmes.



ETHICS & GOVERNANCE

Focus Area(s) and Material Matter(s)

- Good Business Governance
- Dynamic Regulatory Landscape
- Data Protection and Cybersecurity

- Maintained **30%** women's representation on RHB Bank Berhad Board of Directors.
- Enhanced the **Group Anti-Bribery & Corruption Policy** and **Group Whistleblowing Policy**.

Whistleblowing and Non-Whistleblowing Reports

	Year 2020	Year 2021	% Y-o-Y
Whistleblowing Cases	12	17	+42%
Non-Whistleblowing Cases	1	11	+1000%
Total Complaint Cases	13	28	+115%
Founded Cases	9	11*	+22%

Note: * Subject to outcome of ongoing investigation on 5 cases in progress.

- Conducted 65 training and awareness sessions on Anti-Bribery and Corruption for more than **4,777 employees** across the Group.
- Rolled out **RHB AML Capabilities Enhancement Project ("RACE")** to strengthen our **Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT")** efforts.
- Continued to enhance frameworks and policies relating to technology and cyber risk management as well as continuously strengthened IT security controls, taking into consideration the new norm and the constantly evolving technology landscape.

Primary SDGs



PILLAR 1 SUSTAINABLE & RESPONSIBLE BANKING | PILLAR 2 EMBEDDING GOOD PRACTICES | PILLAR 3 ENRICHING & EMPOWERING COMMUNITIES

PEOPLE & WORKPLACE

Focus Area(s) and Material Matter(s)

- Talent Management
- Employee Training and Education
- Employee Health, Safety and Wellness
- Diversity and Equal Opportunity

- **53%** of women in Management and **28%** in Senior Management.
- **RM24.6 million** invested in upskilling and reskilling our employees:
 - **606,623** total training hours with **48** average training hours per employee per year
 - Organised sustainability training and awareness sessions for **more than 1,000 employees** from various business groups
 - Launched **Women in Leadership League programme** with Melbourne Business School and LeadWomen to empower women in leadership roles
- Rolled out capability building for 600 Digital, IT and Analytics employees to develop proficiency in high-demand and future-looking skills.
- Inculcated our workforce with a culture of innovation and developed innovative capabilities through programmes such as Future Skills, Solutions Design Lab and the "Dragon's Den".
- **7,648 employees** participated in 14 safety, health and wellness training programmes.
- More than **RM370,000** raised by employees for the RHB Humanitarian Fund to aid **more than 175** RHBians impacted by COVID-19 and the flood.
- Achieved **90%** in the Employee Engagement Score, on par with the Malaysian financial services industry average and met our target score for 2021.

ENVIRONMENTAL STEWARDSHIP

Focus Area(s) and Material Matter(s)

- Environmental Stewardship
- Climate Change*

- We aspire to achieve carbon neutral operations by 2030.
- Operational GHG emissions:
 - Expanded reporting boundary to cover all main buildings and branches in Malaysia
 - Total GHG emissions: **25,580 tCO₂eq^a**
 - GHG emissions intensity: **1.85 tCO₂eq/employee**
 - Improved reduction in GHG emissions intensity per employee in 2021 by 41% compared to baseline 2016 for Malaysia
- Rolled out **Waste Recycling Management programme** for our Head Office building and collected a total of **1,147 kg** of recyclables and waste within three months.
- Delivered **28.2 million e-statements** to reduce paper consumption.
- Launched **'Beli Nothing Project'** to encourage waste reduction among RHBians by allowing them to donate and exchange pre-loved items, and **1,400 employees** took part in the internal initiative.
- Targeted to replace all traditional lighting with **LED lighting** across all of RHB's main buildings by 2023 and **completed 80%** of the initiative in 2021.

SUSTAINABLE PROCUREMENT

Focus Area(s) and Material Matter(s)

- Sustainable Procurement

- Spent over **RM762 million on 563 suppliers** to procure goods and services^b
 - Of which **RM689.8 million (91%) was spent on 523 local suppliers (93%)**.
- Employed a centralised and decentralised approach to streamline procurement activities, ensuring fair, ethical and responsible procurement practices.
- Guided by the Group Procurement Guideline that ensures compliance with Group and regulatory requirements.
- Fully digitalised the e-procurement system since 2014, comprising vendor registration, assessment by vendor management (Group Procurement Unit) and vendor approval.
- **82%** or **RM623.48 million** of the Group's procurement budget was spent on IT items and IT professional services.

Note:

^a Scope 1 (154 tCO₂eq), scope 2 (23,810 tCO₂eq) and scope 3 (1,615 tCO₂eq) in Malaysia.

^b Main market Malaysia.

* Material matter appears in more than one Focus Area.

PILLAR 1 SUSTAINABLE & RESPONSIBLE BANKING | PILLAR 2 EMBEDDING GOOD PRACTICES | PILLAR 3 ENRICHING & EMPOWERING COMMUNITIES

ALIGNMENT & CONTRIBUTION

Key Capitals <IR>



Value to Stakeholder(s)

- Communities
- Customers
- Employees
- Regulators & Policymakers



For more information on our performance and initiatives in Enriching & Empowering Communities, please refer to Pillar 3 in the Sustainability Report 2021.

True to our Brand Promise of *Together We Progress*, we aim to create long-lasting positive impacts on the communities in which we operate by enriching and empowering them through various programmes. We reach out to those in need, particularly the underprivileged from low-income and B40 communities. Focusing on children and youth, our programmes are aimed at nurturing the future generations and developing them into holistic individuals. As a financial services provider, we believe in promoting financial literacy among the younger generation and our customers to help shape a financially literate society and promote responsible financial behaviour, which will contribute to the nation's economic health.



COMMUNITY ENRICHMENT

Focus Area(s) and Material Matter(s)

- Community Enrichment

- Invested **RM9.1 million** in community enrichment and empowerment programmes in 2021.
- Nurturing Future Generations through Education:
 - The RHB X-Cel Academic Excellence programme has benefited **more than 4,000 underprivileged** students from the B40 segment and 40 schools since 2018.
 - Enrolled **more than 1,500 students** in the RHB X-Cel Academic Excellence programme in 2021, surpassing the target of 1,000 to 1,400 students.
 - Awarded **30 students** with RHB X-Cel Star Scholarships since 2019 for enrolment in local public universities, with a target to award 60 scholars by 2023.
 - Organised the SPM Readiness Workshop for our X-Cel students, which included a motivational talk called Breakthrough Mindset – A.B.C.D. of Success as well as subject revision classes covering BM, Physics, English, Math, Add Maths and History.
 - Conducted capability-building programmes for our X-Cel Scholars, which include Mentor-Mentee programme, English Communication & Confidence Training and Mental Health & Stress Management Workshop.

Primary SDGs



PILLAR 1 SUSTAINABLE & RESPONSIBLE BANKING | PILLAR 2 EMBEDDING GOOD PRACTICES | PILLAR 3 ENRICHING & EMPOWERING COMMUNITIES

COMMUNITY ENRICHMENT

- Supported research on human capital development by cultivating knowledge in digital technology, particularly in banking and finance, in partnership with a local public university, Universiti Kebangsaan Malaysia, through the **RHB-UKM Endowment Fund**, with total funds of RM7.74 million as at June 2021.
- Since 2020, the Group contributed close to **RM8.4 million under our Uplifting Communities Pillar** to provide COVID-19 relief assistance, which included provision of medical equipment to selected hospitals and donations to families who were financially impacted by the pandemic. During the festive season, we also **contributed more than RM800,000** to the underprivileged members of our communities.
- Contributed **approximately RM6.1 million** since 2020, for the benefit of the B40 community under our **Nurturing Future Generations Pillar**. These initiatives impacted **more than 6,000 beneficiaries through our RHB X-Cel Academic Excellence programme** and **RHB X-Cel Star Scholarship programme**. This also includes RM5.0 million for the CERDIK programme, where we contributed digital devices to B40 students to support their online lessons and e-learnings during the pandemic.

FINANCIAL EDUCATION

Focus Area(s) and Material Matter(s)

- Financial Inclusion and Education*

- Championed financial literacy through the Money Ma\$ter Programme ("MMP"):
 - Reached out to **1,075 students** in 2021, bringing the total number of students engaged to **more than 25,000 students** since its roll-out in 2018
 - Launched a **six-episode online financial education series**, which recorded **more than 112,000 total engagements**.
- Launched the 'goWave by RHB' website to promote financial awareness among young adults in Cambodia by sharing knowledge and information on financial management matters.
- Accumulated **11.8 million visits** on RHB MERGE, RHB's financial literacy ecosystem for customers, since its inception in 2018.

* Material matter appears in more than one Focus Area.



OUR BOARD OF DIRECTORS AND GROUP COMPANY SECRETARY

as at 15 February 2022

OUR BOARD OF DIRECTORS AND GROUP COMPANY SECRETARY

LEADING WITH EXPERIENCE AND INTEGRITY



TAN SRI AHMAD BADRI MOHD ZAHIR
Non-Independent
Non-Executive Chairman



TAN SRI ONG LEONG HUAT @ WONG JOO HWA
Non-Independent
Non-Executive Director



TAN SRI DR REBECCA FATIMA STA MARIA
Senior Independent
Non-Executive Director



DATO' MOHAMAD NASIR AB LATIF
Non-Independent
Non-Executive Director



ONG AI LIN
Independent
Non-Executive Director



LIM CHENG TECK
Independent
Non-Executive Director



SHARIFATU LAILA SYED ALI
Independent
Non-Executive Director



DONALD JOSHUA JAGANATHAN
Independent
Non-Executive Director

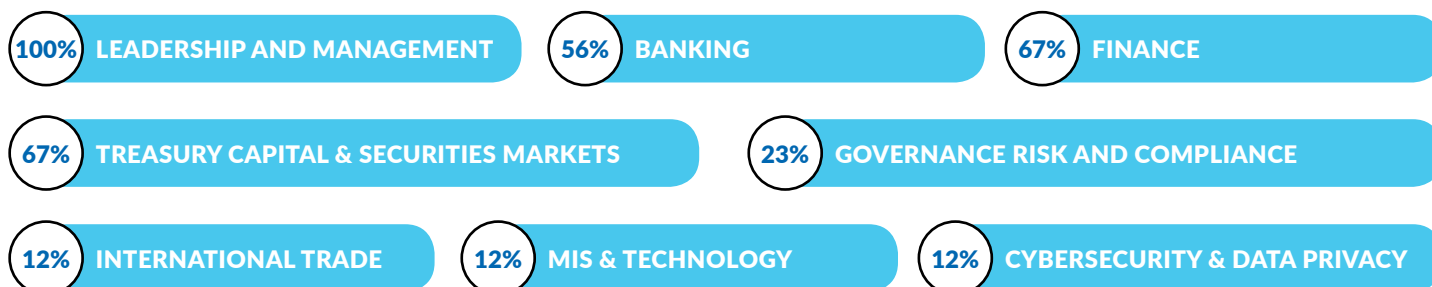


DATUK IAIN JOHN LO
Independent
Non-Executive Director

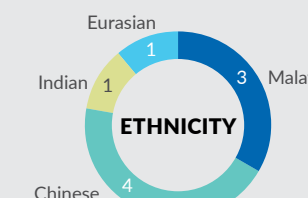
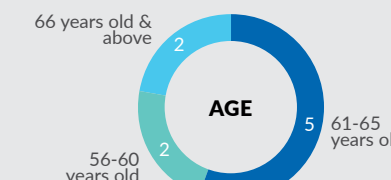
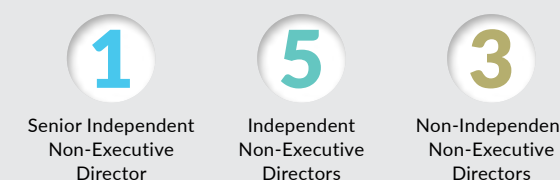


AZMAN SHAH MD YAMAN
Group Company Secretary

BOARD SKILLS & EXPERIENCES (%)



BOARD COMPOSITION



BOARD DIVERSITY



BOARD TENURE



PROFILE OF OUR BOARD AND GROUP COMPANY SECRETARY

PROFILE OF OUR BOARD AND GROUP COMPANY SECRETARY



**TAN SRI AHMAD
BADRI MOHD ZAHIR**

Non-Independent
Non-Executive Chairman



Date of Appointment 16 November 2020*

Qualifications

- Master in Business Administration, University of Hull, United Kingdom
- Degree in Land and Property Management, MARA University of Technology

Other Directorship(s)

Listed Entities:

- Sime Darby Berhad

Public Companies:

- Nil

Skills and Experience

Tan Sri Ahmad Badri Mohd Zahir ("Tan Sri Ahmad Badri") started his career as a Senior Valuation Executive at C.H. Williams, Talhar & Wong Sdn Bhd prior to his appointment as the Assistant Secretary in the Finance Division of the Ministry of Finance in 1989 where he served for nearly 30 years in various capacities, the last being the Secretary General of Treasury.

Tan Sri Ahmad Badri was appointed as the Chairman of the Employees Provident Fund on 1 May 2020. He has sat on the EPF Investment Panel since 2014 and is vastly experienced in the fields of strategic investment, loan management, financial market and actuarial science.

Tan Sri Ahmad Badri previously served on the Boards of Bank Negara Malaysia, Kumpulan Wang Persaraan (Diperbadankan), Permodalan Nasional Berhad and Tenaga Nasional Berhad, amongst others.

* Subsequently formalised as Chairman of RHB Bank Berhad on 24 March 2021.

Attended Board Meetings:

17/17 100%



**TAN SRI ONG LEONG HUAT @
WONG JOO HWA**

Non-Independent
Non-Executive Director



BCC

Date of Appointment 20 November 2012

Qualifications

- Senior Cambridge, Federation of Malaysia Certificate awarded by Methodist English School
- Capital Markets and Services Representative's Licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act, 2007 for dealing in securities

Other Directorship(s)

Listed Entities:

- OSK Holdings Berhad (Executive Chairman)

Public Companies:

- RHB Investment Bank Berhad (Chairman)
- PJ Development Holdings Berhad (Chairman)
- OSK Property Holdings Berhad (Chairman)
- KE-ZAN Holdings Berhad
- OSK Foundation (Chairman)

Skills and Experience

For over 17 years since 1969, Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong") was attached to a leading financial institution where he last held the position of Senior General Manager. He was the Managing Director/Chief Executive Officer ("CEO") of OSK Investment Bank Berhad (now known as OSKIB Sdn Bhd) from July 1985 to January 2007 and thereafter was appointed as the Group Managing Director/CEO. He was then re-designated as a Non-Independent Non-Executive Director and subsequently resigned on 30 April 2013.

Tan Sri Ong was also a Director of MESDAQ from July 1999 to March 2002 and a member of the Capital Market Advisory Council appointed by the Securities Commission in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was a Director on the Board of Bursa Malaysia Berhad from 2008 to 2015 and was previously a Member of the Securities Market Consultative Panel of Bursa Malaysia.

Attended Board Meetings:

17/17 100%



**TAN SRI DR REBECCA
FATIMA STA MARIA**

Senior Independent
Non-Executive Director



BNRC

Date of Appointment 1 August 2016

Qualifications

- Bachelor of Arts (Honours) in English Literature, University of Malaya
- Diploma in Public Administration from the National Institute of Public Administration ("INTAN")
- M.S. in Counselling from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia)
- Ph.D from the University of Georgia in Athens, USA

Other Directorship(s)

Listed Entities:

- Sunway Berhad
- Hartalega Holdings Berhad
- Eco World International Berhad

Not-For-Profit Organisations:

- Institute for Democracy and Economic Affairs ("IDEAS")
- MyKasih Foundation (Trustee)
- Hartalega Foundation (Trustee)

Skills and Experience

Tan Sri Dr Rebecca Fatima Sta Maria was previously the Secretary-General of the Ministry of International Trade and Industry ("MITI"). She began her career in the Administrative and Diplomatic Service in 1981 and served in various capacities in the then Ministry of Trade and Industry.

She was involved in handling trade-related matters of the Ministry, including administering Malaysia's interests under bilateral and regional Free Trade Agreements ("FTAs"), as well as Malaysia's engagements in various international organisations such as ASEAN, APEC and WTO. After 35 years in civil service, serving six trade ministers and overseeing 12 trade pacts, she retired as the Secretary-General of MITI in July 2016. She is now the Executive Director of the Asia-Pacific Economic Cooperation ("APEC") Secretariat based in Singapore.

Attended Board Meetings:

17/17 100%



**DATO' MOHAMAD
NASIR AB LATIF**

Non-Independent
Non-Executive Director



BNRC

Date of Appointment 16 March 2020

Qualifications

- Bachelor's Degree in Social Science (Economics), Universiti Sains Malaysia
- Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants
- Master of Science in Investment Analysis from the University of Stirling, United Kingdom

Other Directorship(s)

Listed Entities:

- Malaysian Resources Corporation Berhad
- Yinson Holdings Berhad
- United Plantations Berhad

Public Companies:

- RHB Islamic Bank Berhad (Chairman)
- PLUS Malaysia Berhad (Chairman)

Skills and Experience

Dato' Mohamad Nasir Ab Latif started his career with the Employees Provident Fund Board in 1982 and held several positions including State Enforcement Officer (1990 to 1995), Senior Research Officer, Manager and Senior Manager in the Investment and Economics Research Department (1995 to 2003) and General Manager of the International Equity Investment Department (July 2009 to 2013). He was last appointed as Deputy Chief Executive Officer (Investment) in 2013 and retained this position until his retirement in December 2019.

He is currently the Chairman of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan).

Attended Board Meetings:

17/17 100%

Chairman/Chairperson

Member

BNRC Board Nominating & Remuneration Committee

BAC Board Audit Committee

BRC Board Risk Committee

BCC Board Credit Committee

PROFILE OF OUR BOARD AND GROUP COMPANY SECRETARY

PROFILE OF OUR BOARD AND GROUP COMPANY SECRETARY



ONG AI LIN
Independent
Non-Executive Director

  66
BAC BRC

Date of Appointment 1 July 2017

Qualifications

- Bachelor of Arts (Honours) in Economics, the University of Leeds, United Kingdom
- Associate of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Other Directorship(s)**Listed Entities:**

- Tenaga Nasional Berhad
- IHH Healthcare Berhad

Public Companies:

- RHB Islamic Bank Berhad
- FIDE Forum (Trustee)

Skills and Experience

Ong Ai Lin began her career with Deloitte Haskins & Sells ("DH&S") in London in 1978, prior to joining PricewaterhouseCoopers ("PwC") in 1991 as Senior Manager. At PwC, she built the IT audit practice, an integral part of the firm's financial audit services. She was then appointed as Partner/Senior Executive Director of PwC in 1993 and was the Business Continuity Management and Information Security Practice Leader for PwC Malaysia. She has also served as the past President of the Information Systems Audit and Control Association ("ISACA")—Malaysia Chapter.

She has over 30 years of experience in providing business continuity management, governance risk and compliance, information security, cybersecurity, technology risk and governance and data privacy services in the United Kingdom, Singapore, Indonesia, Thailand, Vietnam, Philippines, Sri Lanka, Cambodia and Malaysia.

Her extensive experience includes collaboration with regulators, government ministries agencies and organisations in various sectors encompassing financial services, telecommunications and multimedia, energy, capital markets, transportation, aviation, manufacturing and trading, cybersecurity, provident fund and sovereign wealth fund, as well as non-governmental organisations.

Her knowledge and experience earned her the "Best Certified Business Continuity Professional in Malaysia" award from Disaster Recovery Institute International at their inaugural awards in 2012. She was also awarded the "Cybersecurity Lifetime Achievement Award" in 2018 by CyberSecurity Malaysia.

Attended Board Meetings:

17/17 100%



LIM CHENG TECK
Independent
Non-Executive Director

  61
BRC BCC

Date of Appointment 28 November 2018

Qualifications

- Master of Business Administration, Brunel University, United Kingdom
- Bachelor of Arts from the National University of Singapore

Other Directorship(s)**Listed Entities:**

- Nil

Public Companies:

- Nil

Skills and Experience

Lim Cheng Teck was the Regional Chief Executive Officer for ASEAN at Standard Chartered Bank. He first joined Standard Chartered Bank in 1988 and has held various roles within the bank's Corporate and Institutional Banking Division before being appointed as the Chief Operating Officer for Standard Chartered Bank (China) Ltd in 2005. In 2006, he was appointed as the Chief Executive Officer of Standard Chartered Bank (Singapore) Ltd. He returned to China in 2009 to take up the role of Chief Executive Officer and Executive Vice Chairman of Standard Chartered Bank (China) Ltd.

He has served on several Standard Chartered Bank subsidiary boards, notably as the Chairman of Standard Chartered Bank (Mauritius) Ltd, Standard Chartered Bank (Thailand) Ltd, Standard Chartered Bank (Singapore) Ltd, and as the Deputy Chairman of Standard Chartered Bank (Malaysia) Ltd and the President Commissioner of PT Bank Permata, Indonesia. He has also served as a Non-Executive Director of Standard Chartered Bank (Taiwan) Ltd. He has previously served as a Director on the boards of Clifford Capital Pte Ltd and the Singapore International Chamber of Commerce, a Governor of the Singapore International Foundation and a Council Member of the Institute of Banking and Finance Singapore and the Singapore National Employers Federation.

Additionally, he was the Chairman of the Overseas Financial Service Commission the China Chamber of Commerce, the Vice Chairman of the Association of Banks in Singapore and a Member of the Monetary Authority of Singapore's Financial Centre Development Committee. Having served in the banking arena for over 28 years, he retired from Standard Chartered Bank in April 2016 and continued as a senior advisor on a non-executive role till April 2017.

Further, he served as Chief Executive Officer of Pontiac Land Group from March 2017 to May 2018 and he completed his 12-year term with the Advisory Board of Sim Kee Boon Institute of Financial Economics, Singapore Management University in 2021. Currently, he sits on the Boards of Minterrest Holdings Pte Ltd and Bright Vision Community Hospital, Singapore. He is also an Independent Director of National Council of Social Service, a statutory board governed by the Ministry of Social and Family Development of the Singapore Government.

Attended Board Meetings:

17/17 100%



SHARIFATU LAILA SYED ALI
Independent
Non-Executive Director

  59
BNRC

Date of Appointment 15 March 2019

Qualifications

- Master of Business Administration, University of Malaya, Malaysia
- Bachelor of Science (Honours), Universiti Kebangsaan Malaysia, Malaysia
- Advanced Management Programme, Harvard Business School, USA

Other Directorship(s)**Listed Entities:**

- Bursa Malaysia Berhad

Public Companies:

- RHB Insurance Berhad
- Minority Shareholders Watch Group

Skills and Experience

Sharifatu Laila Syed Ali ("Sharifa") has extensive experience in the field of investment management and portfolio investing, having served various premier institutions and government-linked investment funds over a period of more than 30 years. She played a key role in the setting up of Valuecap Sdn Bhd ("Valuecap"), a government-led initiative, whose founding shareholders were Khazanah Nasional Berhad, Kumpulan Wang Amanah Pencil and Permodalan Nasional Berhad ("PNB").

Sharifa began her career at PNB and subsequently moved on to hold various senior leadership positions at the Employees Provident Fund including Head of Treasury & Equity Markets, gaining broad exposure within the domestic and regional capital markets environment over a period of 15 years. Following a brief period as Head of Investments at the Pilgrims Fund, she was appointed the Chief Executive Officer of Valuecap in October 2002. She became Group Chief Executive Officer of Valuecap in 2015.

Under her stewardship, the Group spearheaded the country's move into new frontiers within the domestic markets, including launching Malaysia's first exchange traded fund (Ringgit & USD) and various Environmental, Social and Governance ("ESG")-type Funds. Pursuant to her departure from Valuecap, she served as an Advisor to the Board of Directors of Valuecap, after which she took on various roles in other Boards and Committees. She is also a Member of the Investment Committee of University of Malaya.

Attended Board Meetings:

17/17 100%



DONALD JOSHUA JAGANATHAN
Independent
Non-Executive Director

  62
BRC BAC

Date of Appointment 17 August 2020

Qualifications

- Bachelor of Accounting (Hons), University of Malaya
- Chartered Accountant, Malaysian Institute of Accountants
- Master in Business Administration from the Cranfield School of Management, United Kingdom
- Fellow Chartered Banker of the Asian Institute of Chartered Bankers
- Advanced Management Programme, Harvard Business School, USA

Other Directorship(s)**Listed Entities:**

- Nil

Public Companies:

- Asian Institute of Chartered Bankers
- RHB Insurance Berhad
- Zurich Life Insurance Malaysia Berhad

Skills and Experience

Donald Joshua Jaganathan ("Donald") serves as a Council Member of the Asian Institute of Chartered Bankers and the Chairman of its Education Committee. He is also a member of the Board of Directors of the Asian Banking School and the Chairman of its Talent Development Committee.

Donald has had a fulfilling career with Bank Negara Malaysia ("BNM") for 36 years, rising to the rank of Assistant Governor, with key responsibilities over the financial stability function, including oversight of BNM's Financial Stability Report. His work experience included leadership and management oversight over the supervision and regulation of the banking and insurance industry in Malaysia, training and development activities with the banking and insurance institutes. He also served as the Malaysian representative in international supervisory bodies, including the Basel Committee on Banking Supervision ("BCBS") and the International Association of Insurance Supervisors ("IAIS").

His previous positions include the Chairman of the Board of Directors of Payments Network Malaysia Sdn Bhd ("PayNet"), Chairman of the Board of Finance Accreditation Agency Berhad ("FAA"), Chairman of the Board Executive Committee of the Malaysian Insurance Institute, Council Member of the Malaysian Institute of Accountants and Member of the Malaysian Financial Reporting Foundation.

Attended Board Meetings:

17/17 100%

PROFILE OF OUR BOARD AND GROUP COMPANY SECRETARY

**Qualifications**

- Bachelor of Science in Civil Engineering, University of California, Los Angeles ("UCLA")
- Master of Science in Civil Engineering from UCLA

Other Directorship(s)**Listed Entities:**

- Sapura Energy Berhad
- Digi.com Berhad

Public Companies:

- RHB Investment Bank Berhad

Skills and Experience

Datuk Iain John Lo ("Datuk Iain") retired as the Country Chairman of Shell Malaysia Limited on 31 March 2021. He is a proven leader who has extensive experience and held a broad range of roles over the past 30 years in Shell's exploration and production, gas and downstream businesses both in Malaysia as well as abroad. Datuk Iain was the Chairman of Shell Refining Company Bhd till the company was sold in 2016.

He joined Sarawak Shell Berhad as a Field Engineer in 1990 before moving on to undertake various engineering, business development and corporate roles based in Malaysia, Singapore and Netherlands. His areas of responsibilities included governance of LNG and Chemicals joint ventures in Malaysia, Middle East, China and Russia. He was appointed as a Board Director of Singapore's Economic Development Board in 2009 and served till 2012 when he returned to Malaysia as Chairman and Managing Director of Sarawak Shell Berhad and Sabah Shell Petroleum. In 2017, Datuk Iain was appointed as Asia Pacific Commercial Vice President for Shell's exploration, production and gas businesses with accountability for regional acquisitions, divestments and new business development.

Attended Board Meetings:

17/17 100%

**Qualifications**

- LLB (Honors), International Islamic University Malaysia ("IIUM")
- A qualified Advocate & Solicitor of the High Court of Malaya
- A Licensed Company Secretary (LS 0006901)
- An affiliate of the Malaysian Institute of Chartered Secretaries & Administrators
- A Certified Integrity Officer ("CeIO") accredited by the Malaysia Anti-Corruption Academy ("MACA")

Skills and Experience

Azman Shah Md Yaman ("Azman Shah") leads the Group's Legal, Secretariat & Governance functions. He is accountable directly to the Board, through the Chairman, on all matters with regards to the formal functioning of the Board. He leads and acts as the guardian to the policies and principles of good governance and anti-corruption.

He shoulders the responsibilities as the Group Company Secretary, General Legal Counsel and also Chief Integrity and Governance Officer ("CIGO") within RHB Banking Group.

Prior to employment with RHB Banking Group, Azman Shah was attached with the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) for more than 10 years serving in various capacities, the last being Head, Group Corporate Secretarial & Compliance/Group Company Secretary. He was also a practicing Advocate & Solicitor until 1993, after being admitted to the Malaysian Bar in 1991.

Declaration:

Save as disclosed, the Directors have:

1. No conflict of interest with RHB Bank and/or family relationship with any Director and/or major shareholder except for:
 - (a) Tan Sri Ong Leong Huat and his spouse, Puan Sri Khor Chai Moi, who are deemed major shareholders of RHB Bank pursuant to Section 8(4) of the Companies Act 2016, by virtue of shares held through OSK Holdings Berhad.
 - (b) Tan Sri Ahmad Badri Mohd Zahir and Dato' Mohamad Nasir Ab Latif who are nominees of the Employees Provident Fund Board, a major shareholder of RHB Bank.
2. Never been convicted of any offence within the past five years nor have had any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year under review.

PROFILES OF THE CHAIRMEN OF THE KEY OPERATING COMPANIES



IR For more details, go to page 107.



IR For more details, go to page 106.

**Board Committee Membership(s)**

- Investment Committee of RHB Asset Management Sdn Bhd (Chairman)
- Investment Committee of RHB Islamic International Asset Management Berhad (Chairman)

Qualifications

- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Institute of Singapore Chartered Accountants

Other Directorship(s)**Listed Entities:**

- ARA Trust Management (Suntec) Limited - Suntec REIT (Singapore)

Non-Listed Companies:

- RHB Investment Bank Berhad (Malaysia)
- AXA Insurance Pte Ltd (Singapore)

RHB Asset Management Group:

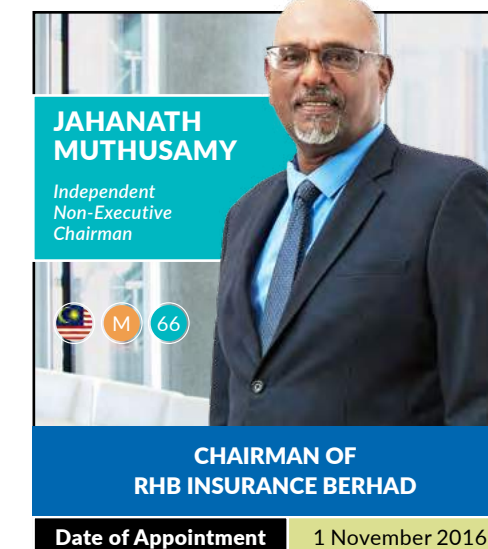
- RHB Asset Management Sdn Bhd (Malaysia)
- RHB Islamic International Asset Management Berhad (Malaysia)
- RHB Asset Management Pte Ltd (Singapore)
- RHB International Investments Pte Ltd (Singapore)

Skills and Experience

Yap Chee Meng was KPMG International's Chief Operating Officer for the Asia Pacific Region and a Member of its Global Executive Team from 1 October 2010 to 30 September 2013.

Prior to 1 October 2010, he was a Senior Partner in KPMG Singapore and part of the firm's leadership team. Yap Chee Meng's key appointments then (within KPMG locally, regionally and globally) included as Asia-Pacific Head of Financial Services, Singapore Head of Financial Services and Singapore Head of Real Estates and Specialised REITs Group, as well as Member of KPMG International's Professional Indemnity Insurance Steering Committee and Member of KPMG International's Financial Services Leadership Committee.

In a career with over 38 years of experience in the financial and accounting sector, he has also served in various professional/regulatory committees of the Singapore Accounting & Corporate Regulatory Authority and the Institute of Certified Public Accountants of Singapore.

**Board Committee Membership(s)**

- Board Risk Committee of RHB Insurance Berhad

Qualifications

- Fellow of the Chartered Insurance Institute, United Kingdom
- Fellow - Malaysian Insurance Institute

Other Directorship(s)**Listed Entities:**

- Nil

Public Companies:

- Nil

Skills and Experience

Jahanath Muthusamy ("Jahanath") has over 40 years' experience, having joined the insurance industry in 1975. During this period, he was actively involved in the Insurance Institutes and Insurance Associations of both Malaysia and Indonesia serving in various capacities. In 2002, Jahanath was seconded to PT Assuransi AXA as the President and Chief Executive Officer ("CEO") and a member of the Board of Directors. He returned to AXA Affin General Insurance Malaysia at the end of 2006 and assumed the role of CEO and a member of the Board of Directors until his retirement in October 2012. He remained on the board of PT Assuransi AXA until 2012. From 2013 to 2015, he was appointed as a Senior Advisor to Solution Providers Pte Ltd, a Swiss insurance solution provider/consultant based in Singapore.

* Subsequently appointed as an Independent Non-Executive Chairman of RHB Insurance Berhad on 28 May 2020.

PROFILE OF THE SHARIAH COMMITTEE

● Number of Meetings attended ● Gender ● Age



**DR. AHMAD
BASRI IBRAHIM**

Chairman



Date of Appointment 2 February 2018 /
1 February 2020

Present Membership of Shariah Committees in Other Institutions:

- Bank Pembangunan Malaysia Berhad ("BPMB")

Qualifications

- B.A (Hons) in Islamic Jurisprudence and Legislation, University of Jordan, Amman, Jordan

- Master's Degree in Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia, Kuala Lumpur
- PhD in Islamic Law, University of Birmingham, United Kingdom

Areas of Expertise:

- Islamic Law of Transactions
- Principles of Islamic Jurisprudence (Usul al-Fiqh)
- Islamic Legal Maxims
- Islamic Criminal Law

Experience & Achievements:

- Currently the Vice President and Head of Shariah Management, Permodalan Nasional Berhad ("PNB").
- Was formerly the Deputy Dean (Academic Affairs) at the Kulliyah of Islamic Revealed Knowledge and Human Sciences, IIUM and a

Board Member of the IIUM Institute of Islamic Banking and Finance ("IIBF").

- Previously served as Chairman of the Shariah Committee at OSK Investment Bank Berhad and Great Eastern Takaful Sdn. Bhd. and as a Shariah Committee member of Hong Leong Islamic Bank Berhad and SME Bank.
- Possesses vast experience in teaching and has produced numerous publications in his fields of specialisation.
- Has conducted lectures on Usul al-Fiqh and the Islamic law of transactions at various agencies such as the Central Bank of Malaysia ("BNM"), PNB, SIRIM, Great Eastern Takaful Berhad, CIMB and OCBC Al-Amin.
- Has received several grants and awards for his research work.



**WAN ABDUL
RAHIM KAMIL
WAN
MOHAMED ALI**



Date of Appointment 13 April 2013 /
1 April 2020

Present Membership of Shariah Committees in Other Institutions:

- Permodalan Nasional Berhad

Qualifications

- Professional Member, Institute of Statisticians, United Kingdom

- Post Graduate Degree in Islamic Banking & Economics, International Institute of Islamic Banking & Economics, Turkish Cyprus (in association with Al-Azhar University, Cairo)

Areas of Expertise:

- Islamic Banking & Finance
- Islamic Capital Market
- Debt Capital Market
- Corporate Advisory

Experience & Achievements:

- Pioneered the development of the Islamic Capital Market in Malaysia and has innovated the development of several benchmark capital market securities through the securitisation of Islamic contracts.
- An Islamic Capital Market consultant and regular trainer and speaker at various seminars and in-house training workshops organised by the World Bank, BNM, the Securities

Industries Development Corporation ("SIDC"), the Islamic Banking and Finance Institute Malaysia ("IBFIM") and other event organisers, both locally and internationally.

- A Registered Shariah Advisor with the Securities Commission Malaysia ("SC") and a Member of the Association of Shariah Advisors in Islamic Finance ("ASAS").
- A Member of the Investment Committee, Lembaga Penduduk dan Pembangunan Keluarga Negara ("LPPKN"), Malaysia.
- A Member of the Investment Committee, Islamic International University Malaysia.
- Won the award for "Most Outstanding Individual Contribution to Islamic Finance" at the Kuala Lumpur Islamic Finance Forum 2017.
- Won the award for "Outstanding Leadership in Islamic Finance" at London Sukuk 2011, organised by ICG Events and the UK Trade and Industry Ministry, United Kingdom.



**ASSOC.
PROF. DR.
KAMARUZAMAN
NOORDIN**



Date of Appointment 1 April 2020

Present Membership of Shariah Committees in Other Institutions:

- Bank Simpanan Nasional
- Swiss Retakaful
- Employees Provident Fund
- Limra Assets

Qualifications

- Registered Shariah Adviser with Securities Commission Malaysia ("SC")
- Member of the Association of Shariah Advisors in Islamic Finance ("ASAS")
- Bachelor's Degree in Shariah and Master's Degree in Business Administration from Universiti Malaya, Ph.D. in Islamic Studies from University of Wales, United Kingdom

Areas of Expertise:

- Islamic Banking & Finance
- Takaful

Experience & Achievements:

- Currently the Shariah Committee Chairman of Swiss Reinsurance Company Ltd. ("Swiss Re-Takaful") and LIMRA Group of Companies. In addition to this, he is currently a Shariah

committee member of Employees Provident Fund ("EPF") Malaysia. Previously, he has served as Chairman of Shariah Committee at Kenanga Investment Bank Berhad.

- Currently a Senior Lecturer at the Department of Shariah and Management, Academy of Islamic Studies of University of Malaya ("UM").
- Previously the Head of Shariah Management Department at UM, the Deputy Director of the Institute of Public Policy and Management ("INPUMA"), as well as the Manager of the Unit Pengajian Awam at Academy of Islamic Studies of UM.
- Has published numerous journal articles, contributed in books, as well as conducted numerous training programmes and seminars concerning Islamic finance and Shariah.



**MOHD
FADLY
MD. YUSOFF**



Date of Appointment 13 April 2013 /
1 April 2020

Present Membership of Shariah Committees in Other Institutions:

- Sun Life Malaysia Takaful Berhad
- Opus Asset Management Sdn Bhd
- Apex Investment Services Berhad)
- Bank Pembangunan Malaysia Berhad ("BPMB")

Qualifications

- Bachelor of Syariah (1st Class Honours), University of Malaya
- Postgraduate Diploma in Administration of Judiciary & Islamic, Universiti Kebangsaan Malaysia

Areas of Expertise:

- Islamic Banking & Finance
- Islamic Capital Market & Derivatives

Experience & Achievements:

- Accredited trainer for the Islamic Finance Qualification ("IFQ") of the Chartered Institute for Securities and Investment ("CISI").
- A Registered Shariah Advisor with the Securities Commission Malaysia and a Member of the Association of Shariah Advisors in Islamic Finance ("ASAS").
- Was a Manager at the Islamic Capital Market Department of the Securities Commission Malaysia where he was involved in Shariah

compliance supervision in relation to submissions for the issuances of Sukuk, structured products, collective investment schemes and Islamic Real Estate

- Undertook in-depth research for the development of new Islamic Capital Market instruments and provided technical input for the preparation of various guidelines issued by the Securities Commission Malaysia
- Actively participated in various industry development initiatives such as the International Organization of Securities Commissions' ("IOSCO") Task Force on Islamic Capital Market and the Islamic Financial Services Board's ("IFSB") Governance of Islamic Investment Funds Working Group, and as a technical member for the publication of Resolutions of the Securities Commission Shariah Advisory Council and in Islamic Capital Market educational and promotional programmes.



**SHABNAM
MOHAMAD
MOKHTAR**



Date of Appointment 1 May 2015 /
1 April 2020

Present Membership of Shariah Committees in Other Institutions:

NIL

Qualifications

- Bachelor of Accountancy, University Putra Malaysia
- Master of Accounting, University of Illinois, Urbana-Champaign, U.S.A

- Certified Shariah Adviser & Auditor ("CSAA"), Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Bahrain

Areas of Expertise:

- Finance & Islamic Finance
- Accounting & Islamic Accounting
- Islamic Capital Market & Derivatives

Experience & Achievements:

- Presently the Group Executive Vice President of SHAPE® Knowledge Services, an Islamic finance consulting firm.
- Appointed as the Securities Commission-Oxford Centre of Islamic Studies Visiting Fellow in Islamic Finance for 2021/2022.
- Spearheads research and development activities including financial analysis, strategic & business plan formulation, design and implementation of customised surveys, research and training for different clients at SHAPE®.
- A Member of the Association of Shariah Advisors in Islamic Finance ("ASAS").

She formerly headed capital markets research for the International Shariah Research Academy ("ISRA"), an institution established by Bank Negara Malaysia.

- Has conducted various training programmes on Islamic banking, Sukuk and Islamic Capital Market products, and on risk management and financial reporting for clients in the ASEAN region, the Gulf Cooperation Council ("GCC") and the European market.
- Has contributed chapters to Housing the Nation (Cagamas, 2013), Managing Fund Flows, Risks and Derivatives: Applications in Islamic Institutions (Sweet & Maxwell, 2012), Islamic Financial System: Principles & Operations Market (ISRA, 2011), Sukuk (Sweet & Maxwell, 2009) and Partnership Accounting, Principles and Practice (McGraw Hill).
- From 2010 to 2014, was a Member of the Shariah Advisory Panel of the Malaysian Rating Corporation Berhad ("MARC").
- Prior positions include adjunct professor of finance at both Depaul University (Chicago) and IE Business School (Madrid) and lecturer of accounting, finance and bank management at University Putra Malaysia.



**DR. MD.
NURDIN
NGADIMON**



Date of Appointment 1 May 2021

Present Membership of Shariah Committees in Other Institutions:

NIL

Qualifications

- Bachelor of Shariah (Shariah & Economy) from the University of Malaya
- Master's degree in Fiqh and Usul Fiqh from the University of Jordan
- Ph.D. in Islamic Studies from the University of Birmingham

Areas of Expertise:

- Islamic Jurisprudence of Transactions (Muamalat)
- Islamic Jurisprudence and Fundamental of Islamic Jurisprudence (Fiqh and Usul Fiqh)
- Islamic Jurisprudential Rules (Qawaid Fiqh)
- The Objective of Shariah Law (Maqasid Shariah)
- Islamic Capital Market & Derivatives

Experience & Achievements:

- Previously a lecturer in the Faculty of Shariah, University of Malaya.

Served in the Securities Commission of Malaysia in various roles until his last position as the Deputy Director in 2020.

- Pioneer member of the Islamic Instrument Study Group set up by the Securities Commission
- Involved in the development of the Shariah-compliant securities screening methodology for securities listed on Bursa Malaysia
- Representative in the Islamic Financial Services Board (IFSB), Malaysian Accounting Standard Board, Law Harmonization Committee, Special Committee for Islamic Finance (under the Ministry of Finance), a member of the Islamic Consultative Council (ICC) panel under the Prime Minister's Department, Malaysia and a member of consultative representative under the Malaysian Qualifications Agency (MQA).

GROUP SENIOR MANAGEMENT

GROUP SENIOR MANAGEMENT

EFFECTIVE, DEDICATED AND PROFESSIONAL LEADERSHIP



MOHD RASHID MOHAMAD
Officer-in-Charge/Principal Officer and Managing Director, Group Wholesale Banking



NIK RIZAL KAMIL TAN SRI NIK IBRAHIM KAMIL
Group Chief Financial Officer



JEFFREY NG
Managing Director, Group Community Banking



ROHAN KRISHNALINGAM
Group Chief Digital & Technology Officer



DR CHONG HAN HWEE
Group Chief Risk Officer



DR SIEW CHAN CHEONG
Group Chief Strategy Officer



DATO' ADISSADIKIN ALI
Managing Director/Chief Executive Officer, RHB Islamic Bank/Head, Group Shariah Business



SYED AHMAD TAUFIK ALBAR
Managing Director, Group International Business



OLIVER TAN
Managing Director, RHB Insurance



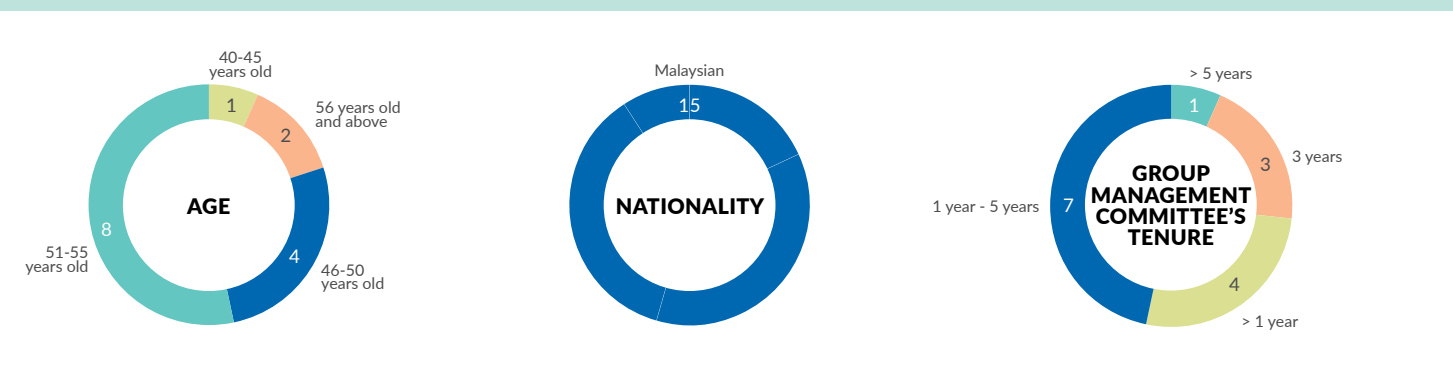
DAVID CHONG
Group Chief Operations Officer



JAMALUDDIN BAKRI
Group Human Resource Advisor



GANESH SABARATNAM
Chief Executive Officer/Managing Director, RHB Group Investment Banking



WENDY TING
Head, Group Corporate Banking



FAZLINA MOHAMED GHAZALLI
Group Chief Compliance Officer



NORAZZAH SULAIMAN
Group Chief Communications Officer/Chief Executive Officer, RHB Foundation

PROFILE OF GROUP SENIOR MANAGEMENT

PROFILE OF GROUP SENIOR MANAGEMENT



MOHD RASHID MOHAMAD

Officer-in-Charge/Principal Officer and
Managing Director, Group Wholesale Banking

Date of Appointment Officer-in-Charge/Principal Officer: 24 January 2022
Managing Director, Group Wholesale Banking: 1 July 2021

Responsibilities:

- Leads the Group in managing its businesses and operations both in Malaysia as well as the Group's overseas operations to achieve its targeted deliverables and maximize the Group's shareholder returns
- Lead the formulation and execution of business strategy for GWB which covers Group Investment Banking, Group Treasury & Global Markets, Group Corporate Banking, Group Asset Management, Group Transaction Banking, Group Commercial Banking and Economics
- Drive the performance of GWB by fostering better collaboration amongst the various businesses, improve product offerings and operational excellence

Experience:

- Started his career in the Examination/Supervision Department in Bank Negara Malaysia in 1988 after which he moved to the Investment Operations & Treasury Department in 1994 where he spent more than five years in the Monetary Policy Implementation section
- Over 20 years of regional treasury experience in senior level positions within several financial institutions in Singapore & Malaysia such as ABN Amro, the Royal Bank of Scotland and AmBank Group

Qualifications:

- Master's in Business Administration with Distinction, University of Wales, Cardiff, United Kingdom
- Bachelor of Accounting (Hons) from University Technology Mara ("UiTM"), Shah Alam, Selangor

External Memberships:

- Vice President, Financial Market Association ("FMA")
- Member of Malaysian Institute of Accountants ("MIA")
- Member of Industry Advisory Council, PayNet
- Member of Financial Market Committee ("FMC"), BNM



NIK RIZAL KAMIL TAN SRI NIK IBRAHIM KAMIL

Group Chief Financial Officer

Date of Appointment 2 February 2021

Responsibilities:

- Leads Group Finance and ensures the effectiveness of the various finance functions across the Group, including budgeting, reporting, capital and balance sheet management, taxation and procurement

Experience:

- 25 years of working experience in the areas of accounting and finance as well as strategic investments, domestically and globally
- Prior to this appointment, was an Executive Director of Investments at Khazanah Nasional Berhad ("Khazanah") and was responsible for Khazanah's investments in Telecommunications, Media & Technology ("TMT")
- Was also the Head of Private Markets for North America, EMEA and South Asia, leading Khazanah's investment and divestment projects, value creation activities and overall Private Equity asset class strategy execution, whilst heading the international offices in San Francisco, Istanbul and Mumbai
- Nik Rizal also served as Khazanah's Nominee Director on the boards of several public listed and private companies both domestically and internationally
- Held various leadership positions overseeing finance, strategy, and planning within the Royal Dutch Shell Plc. group of companies, having been based in the United Kingdom, Singapore, and Malaysia

Qualifications:

- MSc Finance, London Business School, United Kingdom
- BSc (Hons) Economics & Accounting, University of Bristol, United Kingdom
- Fellow Chartered Accountant ("FCA") and Business Finance Professional ("BFP") with the Institute of Chartered Accountants in England and Wales ("ICAEW")

External Memberships:

- Member of Institute of Chartered Accountants in England and Wales ("ICAEW")
- Member of Committee of Finance for Association of Banks in Malaysia ("ABM")



JEFFREY NG

Managing Director,
Group Community Banking

Date of Appointment 1 July 2021

Responsibilities:

- Lead and drive the growth of Group Community Banking to ensure alignment with the Group's strategic aspirations, across the Group's regional presence, primarily covering Malaysia, Singapore and Cambodia
- Aspire to be the best community bank by delivering a high level of service and seamless experience for individual and SME customers
- Responsible to ensure the Bank remains at the forefront in terms of balance sheet growth, profitability and market share by leveraging on the strength of community banking channels and digitalisation of customer journeys

Experience:

- More than 20 years of experience in banking, covering various management roles within the industry
- Prior to his appointment to Group Community Banking, he was leading the Group's Business Banking and Transaction Banking
- Spent 8 years with Standard Chartered Malaysia, he last helmed the SME Business segment prior to joining RHB
- Qualified accountant with early part of his career spent with PricewaterhouseCoopers covering the area of assurance

Qualifications:

- Chartered Accountant - Malaysian Institute of Accountant (MIA)
- Chartered Certified Accountant - The Association of Chartered Certified Accountant of the United Kingdom (ACCA)
- Chartered Banker - Asian Institute of Chartered Bankers (AICB)
- Advance Diploma in Finance - Tunku Abdul Rahman College

External Memberships:

- Member of the Malaysian Institute of Accountants
- Member of the Associate of Chartered Certified Accountants of the United Kingdom
- Member of the Asian Institute of Chartered Bankers



DATO' ADISSADIKIN ALI

Managing Director/Chief Executive
Officer, RHB Islamic Bank/Head,
Group Shariah Business

Date of Appointment 1 August 2016

Responsibilities:

- Lead, manage and grow Islamic Banking and Shariah Business within RHB Group

Experience:

- More than 20 years of experience in financial services industry
- Held senior positions in Bank Islam Malaysia and Aikhair International Islamic Bank Berhad
- Prior to joining RHB, was the Managing Director and Chief Operating Officer at Export- Import Bank Malaysia Berhad

Qualifications:

- MBA (Finance), University of Malaya
- Bachelor's Degree in Business (Banking and Finance), Monash University, Australia
- Diploma in Investment Analysis, University Teknologi MARA ("UiTM"), Malaysia
- Advanced Management Program ("AMP"), Harvard Business School, Boston, USA
- Chartered Banker, Asian Institute of Chartered Bankers ("AICB")
- Chartered Banker, Chartered Banker Institute, UK
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals, Malaysia

External Memberships:

- President and Council Member, Association of Islamic Banking Institutions Malaysia ("AIBIM")
- Member of the Board of Islamic Banking & Finance Institute Malaysia (IBFIM)

PROFILE OF GROUP SENIOR MANAGEMENT

PROFILE OF GROUP SENIOR MANAGEMENT

**SYED AHMAD TAUFIK ALBAR**

Managing Director,
Group International Business

Date of Appointment

2 February 2021

Responsibilities:

- Lead and drive the growth and performance of the Group's international businesses which cover commercial banking, investment banking and asset management, and oversee the non-Retail Loan Recovery function with a focus of strengthening recovery efforts

Experience:

- More than 20 years of experience as a finance professional and served as RHB's Group Chief Financial Officer for over 4 years to 1 February 2021
- Started finance career with Shell and worked in various Shell offices in Malaysia, Australia and the Netherlands
- Held various Finance roles in Axiata Group including as Chief Financial Officer of Smart Axiata in Cambodia
- Prior to joining RHB, was the Group Chief Financial Officer of UEM Group Berhad

Qualifications:

- Bachelor of Accounting (Hons), International Islamic University Malaysia
- Master of Economics, International Islamic University Malaysia

External Memberships:

- Fellow of Chartered Institute of Management Accountants ("CIMA"), UK
- Member of Malaysian Institute of Accountant ("MIA")

**OLIVER TAN**

Managing Director,
RHB Insurance

Date of Appointment

21 February 2022

Responsibilities:

- Lead, manage & grow Insurance business to ensure alignment with the Group's strategic aspirations

Experience:

- 22 years of experience within the insurance industry locally and regionally
- Held various senior positions, including as Chief Executive Officer at MPI Generali Insurans Berhad, Swiss Reinsurance Company Limited in Kuala Lumpur and Head of Kuala Lumpur branch, managing business operations in Malaysia, Vietnam, Cambodia, Laos, Brunei and Myanmar
- Held various senior positions in AIU Insurance Company Limited in Shanghai and AXA General Insurance Hong Kong Limited

Qualifications:

- Bachelor of Laws, Staffordshire Polytechnic in United Kingdom and a Certificate in Legal Practice (CLP) from University Malaya in Malaysia.
- Fellow of Malaysia Insurance Institute since 2017

**ROHAN KRISHNALINGAM**

Group Chief Digital & Technology Officer

Date of Appointment

1 August 2019

Responsibilities:

- Responsible for the provision of accurate and timely Technology and Digital services for the relevant business/functional units
- Develop the IT and Digital Strategy towards driving the implementation of Digital and IT transformation
- Lead the efforts on the digitalisation of RHB Banking Group
- Drive the adoption of Agile@ Scale as part of the Group's strategic focus to create a winning operating model

Experience:

- Initially appointed as Group Chief Operations Officer of RHB Banking Group in January 2014, to drive Group-wide digital, technology and operations functions
- Previously a Senior Partner with a technology and management consulting firm
- More than 25 years of experience with financial services organisations in designing and implementing large scale transformation programmes, predominantly in areas of technology and operations
- Worked with various industries in Malaysia and the ASEAN region
- Strong technology delivery and programme management skills, especially in the implementation of large scale technology and IT strategic planning
- Led major banking and financial services projects including the implementation of core banking systems, enterprise resource planning ("ERP") and customer relationship management ("CRM") systems, IT transformation programmes, IT merger integration programmes and industry-wide payment systems

Qualifications:

- Bachelor of Electrical and Electronics Engineering (Honours), University of New South Wales, Australia

**DR CHONG HAN HWEE**

Group Chief Risk Officer

Date of Appointment

28 September 2020

Responsibilities:

- Managing Group-wide Risk and Credit Management in alignment with Group Risk Appetite
- Overseeing the continuous improvement in managing risk
- Driving timeliness of emerging risk management
- Transforming risk management to meet the control needs of digital era from Strategic, Performance, Analytics and Talent perspectives

Experience:

- Over 20 years of experience in advising and managing risk in the financial sector
- Assisted financial institutions across Australia, ASEAN and the Middle East
- Prior to joining RHB, Dr Chong was a Partner in EY Malaysia where he built the Financial Services Risk Management Practice since 2012

Qualifications:

- Bachelor of Commerce in Economics and Finance (1st Class Honours), Curtin University of Technology, Australia
- Doctor of Philosophy in Economics, Curtin University of Technology, Australia

PROFILE OF GROUP SENIOR MANAGEMENT

PROFILE OF GROUP SENIOR MANAGEMENT

**DR SIEW CHAN CHEONG**

Group Chief Strategy Officer

Date of Appointment

2 May 2019

Responsibilities:

- Drive the Group's strategic priorities
- Support strategy teams within each business unit in the development of business unitspecific strategies and drive improvement in financial and strategic outcomes
- Develop and refine valuebased portfolio management of the Group
- Drive top-down change initiatives across the Group
- Spearhead the Group's annual business planning and steer the progress of FIT22 strategy execution

Experience:

- 20 years of experience in strategy, designing and implementing large-scale transformation programmes, especially for financial services providers across Europe and Asia
- Developed and implemented strategies for large global/ regional banks and insurance firms, covering business growth, operational improvement, talent and technology strategies
- Prior to this appointment, he was the Senior Director for Financial Services with Strategy& (formerly Booz & Company), which is part of the PwC network, serving financial services clients in South East Asia

Qualifications:

- Ph.D in Engineering, University of Southampton, UK
- MBA from London Business School, UK
- BEng (1st Class Hons) Engineering, University of Southampton, UK

**DAVID CHONG**

Group Chief Operations Officer

Date of Appointment

2 February 2021

Responsibilities:

- Oversee the overall RHB Banking Group's operations within Malaysia and ASEAN to achieve excellence, continued improvement and optimisation across the Group's operation functions including credit operations, treasury operations, banking and payment operations, investment banking and asset management operations, as well as the call centre and property services
- Provides leadership in driving customer experience and operational excellence strategy and programmes Group-wide, which includes initiatives on robotic process automation

Experience:

- More than 25 years of experience in various global consulting organisations and Malaysian financial services institutions
- Has covered diversified roles in operational transformation, programme management, strategic planning, analytics and CRM, as well as business and marketing leadership roles
- Prior to the current role, was the Group Chief Digital Officer of RHB Group

Qualifications:

- Chartered Certified Accountants, UK
- Master of Business Administration, Strathclyde University, UK

Appointments:

- Director, Financial Park Labuan Sdn Bhd

**JAMALUDDIN BAKRI**

Group Human Resource Advisor

Date of Appointment

12 April 2021

Responsibilities:

- Develop and execute longterm Human Resources ("HR") strategies
- Build HR capability to support the Group's long-term strategic goals
- Manage various aspects of HR functions including strategic planning and organisational development, human capital development, succession planning, rewards and performance management

Experience:

- A solid track record with more than 20 years in HR functions, with 15 years being spent abroad. Has experience working with different nationalities and diverse cultures and working styles
- Partnered with business leaders of multinationals and local organisations in driving various HR strategies globally and locally

Qualifications:

- Masters in Business Administration (Human Resources), University of Hull, United Kingdom

**GANESH SABARATNAM**Chief Executive Officer/Managing Director,
RHB Group Investment Banking**Date of Appointment**

1 July 2021

Responsibilities:

- Lead, build and drive the overall growth and profitability of Group Investment Banking (GIB) in Malaysia and South East Asia (SEA) in line with the Group's strategic aspirations of growing the ASEAN franchise
- To position RHB Investment Bank as the leading and go to Investment Bank in Malaysia

Experience:

- Over 25 years of experience across investment banking, global markets and private equity
- Prior to this appointment, he was a Partner at Grant Thornton Specialist Advisory Services Singapore and Senior Partner at Oxley Capital Partners, Singapore, a private equity firm
- Held various senior positions with bulge bracket investment banks, including as the CEO and Country Manager of Barclays Corporate and Investment Bank Malaysia, and MD of Barclays IB South East Asia (SEA); Head of Malaysia and Thailand, Credit Suisse IB; Head of Asset Liability Management SEA Global Markets, Rabo Bank Singapore; and Head of Money Market Short Term Interest Rates Trading Global Markets, Deutsche Bank Malaysia
- Held various roles in trading, structured products, risk solutions and treasury at Bank of America Global Markets (BofA) London, and posted to BofA Hong Kong, Tokyo, San Francisco and Malaysia
- Originated and structured various transactions which included transformational multibillion dollar cross border mergers and acquisitions in SEA, Australia, Europe, the Middle East and the United States. Additionally, IPO for SEA companies, USD bond and convertible bond issuances, structured lending, leveraged buyouts, private equity, platform builds, joint ventures, corporate restructuring, distressed debt, structured products as well as trading of credit, swaps/derivatives and hedging risk solutions for clients in commodities, rates and currencies

Qualifications:

- M.Sc Finance in Financial Economics and Capital Markets, University of London, United Kingdom
- B.Sc Joint Honours in Engineering Production and Economics, University of Birmingham, United Kingdom

External Memberships:

- Council Member of Malaysian Investment Banking Association ("MIBA")

PROFILE OF GROUP SENIOR MANAGEMENT

PROFILE OF GROUP SENIOR MANAGEMENT

**WENDY TING**

Head, Group Corporate Banking

Date of Appointment

1 October 2013

Responsibilities:

- Lead and drive the overall growth and profitability of Group Corporate Banking in Malaysia, Singapore and regions where RHB has footprints

Experience:

- More than 20 years of experience in trade finance, capital markets, financial services and investment banking, with the opportunity to rotate among different business groups within Maybank as their scholar
- Prior to joining RHB, spent 15 years with Maybank Group with last position as Director, Client Coverage (Private Sector)

Qualifications:

- Bachelor of Business Administration, National University of Malaysia
- Graduate, Executive Development Program, Chicago Booth, Executive Education
- Senior Leadership Development Programme, INSEAD

Appointments:

- Director, RHB Bank (L) Ltd

External Memberships:

- Member of the Association of Banks in Malaysia
- Member of the Asian Institute of Chartered Bankers
- Member of the Asia Pacific Loan Market Association

**FAZLINA MOHAMED GHAZALLI**

Group Chief Compliance Officer

Date of Appointment

1 June 2018

Responsibilities:

- Lead and execute Group-wide compliance strategic plans that enables RHB Banking Group to comply with regulatory requirements
- Key area of responsibilities include establishing comprehensive compliance policies and framework, monitoring the overall compliance risk of the Group and ensuring timely identification and reporting of new/emerging compliance risk

Experience:

- More than 20 years of experience in banking sector
- Prior to joining RHB, she was a senior associate of a leading law firm, specialising in property and financial services matters and thereafter, she went on to serve for 5 years as the Head of Legal of a development bank
- She started her career in RHB in 2005 as a senior legal officer and was subsequently appointed as the Head of Group Legal in 2008. She went on to become the Head of Group Compliance in 2016 and assumed her current role as the Group Chief Compliance Officer in 2018

Qualifications:

- Bachelor of Laws, University of East Anglia, United Kingdom
- Certified Professional in Anti-Money Laundering/ Combating the Financing of Terrorism ("AML/CFT")
- Chartered Banker, Asian Institute of Chartered Bankers

Appointments:

- Director, RHB Corporate Services Sdn Bhd

External Memberships:

- Member, Asian Institute of Chartered Bankers

**NORAZZAH SULAIMAN**Group Chief Communications Officer/
Chief Executive Officer, RHB Foundation**Date of Appointment**

27 July 2017

Responsibilities:

- Lead and manage the Group's strategic communications functions which entails building brand relevance and trust, as well as manage corporate reputation through effective crisis communications and stakeholder management
- Promote greater disclosure and transparency through multiple platforms, which includes corporate disclosure via the Integrated Report and Sustainability Report
- Lead and drive the Group's Sustainability agenda and the integration of Environmental, Social and Governance ("ESG") considerations into the Group's business and decision making process
- Drive sustainability culture transformation across the Group
- Lead RHB Foundation in fulfilling its vision and objectives, through impactful community engagement programmes and initiatives that benefit the underprivileged segments of the community

Experience:

- More than 25 years of experience in various management positions in the financial services sector, predominantly covering legal advisory, human resource management, corporate services, strategic communications and driving community engagement

Qualifications:

- Bachelor of Laws ("LLB") with Honours, University of Warwick, United Kingdom
- Senior Leadership Development Programme, INSEAD

Appointments:

- Board of Trustees, RHB Foundation
- Board of Trustees, RHB - UKM Endowment Fund
- Member of ESG Committee, Association of Banks in Malaysia

Declaration:

Save as disclosed, the Group Senior Management have:

- no family relationship with any Director and/or major shareholder.
- no conflict of interest with RHB Bank and have never been convicted of any offence within the past five years nor have had any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year under review.

Dato' Khairussaleh Ramli has resigned as Group Managing Director / Chief Executive Officer of RHB Banking Group, effective 25 March 2022.

GOVERNANCE FOR A SUSTAINABLE BUSINESS

GOVERNANCE FOR A SUSTAINABLE BUSINESS

OUR COMMITMENT - CREATING VALUE THROUGH GOOD GOVERNANCE

The Board firmly supports the Group's long-term value creation process by practicing Ethical business conduct, ingraining consideration of Sustainability into business decisions and managing them with good Governance. This integrated thinking and subsequently the integration process are driven top-down and applied consistently across our Group with proper guidance and strategic supports being accorded to our management team.



TAN SRI AHMAD BADRI MOHD ZAHIR
Non-Independent Non-Executive Chairman

This RHB Corporate Governance Overview Statement should be read together with its Corporate Governance Report which can be downloaded from the Group's corporate website at www.rhbgroup.com or the Bursa Malaysia announcement web page.

RHB Banking Group's strong enterprise governance fundamentals ensured we remain resilient even during troubled times, as witnessed throughout the COVID-19 pandemic. As we navigate from the pandemic to an endemic, we continue to ensure the Group remains in a strong position and less susceptible to the volatile business environment by being dynamic, agile and forward thinking.

Another milestone to depict the strong pillar in corporate governance was the smooth leadership transition at the top helm with the replacement of the outbound Group Managing Director with an interim Officer-in-Charge or the Principal Officer on 24 January 2022 to take charge of managing the Group until a new Group Managing Director is being appointed.

The process of evaluating and electing the new candidate was undertaken by the Board immediately, with both internal and external candidates being considered for the position. The potential candidates include two identified internal successors, backed by a successful succession plan spearheaded by the Group's human capital framework. The Board's swift response to the change caused minimal disruption

despite sudden movement at the very top 'C-suite' level, ensuring business continuity and smooth strategy execution.

At the end of the year, the Board also oversaw enhancement to the Group's business integration with formulation of the Group's new 5-year strategic plan. The transition from the preceding strategic plan, namely FIT22 is mainly to steer the Group's businesses forward in the upcoming digital banking opportunities for greater financial inclusion and at the same time, embedding sustainability related matters into its business operations and activities that are most important to the stakeholders.

This move is in line with the newly approved sustainability governance framework that showcases establishment of the Group Sustainability Committee, chaired by the Group Managing Director and supported by four working-level sustainability committees across the Group. These efforts by the Board echoed the newly introduced good governance practices per the latest Malaysian Code on Corporate Governance, updated in April 2021 ensuring sustainability related matters are no longer in the periphery and that we are in a position to make positive impacts in the lives of our stakeholders as *Together We Progress*.

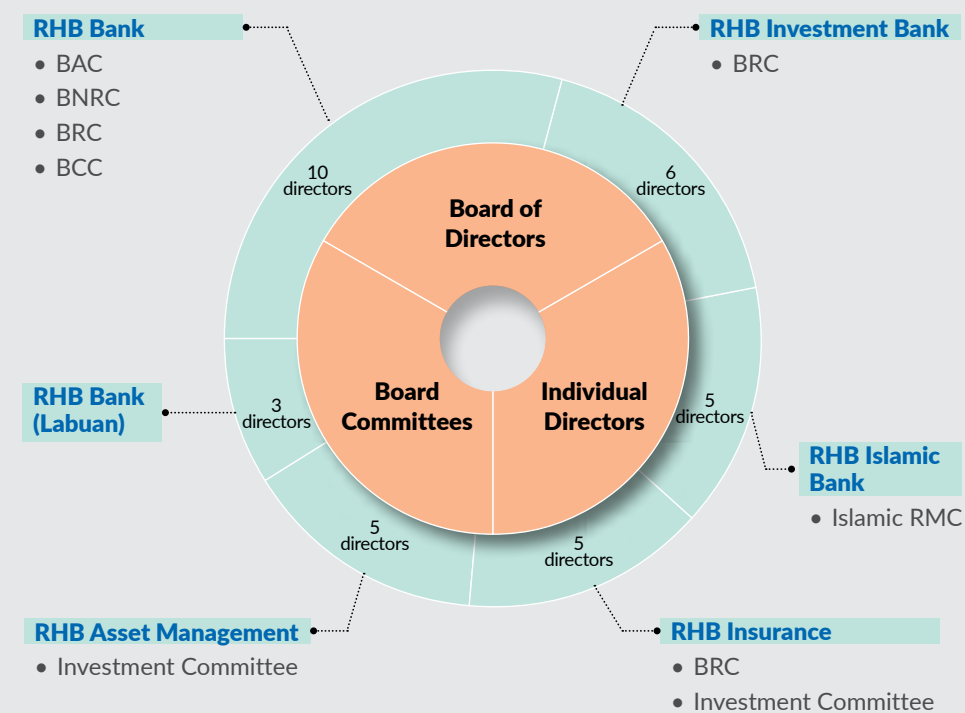
ANNUAL ASSESSMENT OF BOARD & INDIVIDUAL DIRECTOR'S PERFORMANCE

Per our Board Charter, we continue to assess the Board members annually to ensure the current boardroom's combined skillset and expertise are balanced and are able to steer the Group's sustainable journey and the Company's agenda.

In line with the requirements of Bank Negara Malaysia's Corporate Governance Policy Document and the Malaysian Code on Corporate Governance, which call for the appointment of an external party on periodic basis to conduct an objective and independent board assessment, we appointed Ernst & Young Consulting Sdn Bhd ("EY") to facilitate our Board Effectiveness Evaluation ("BEE") exercise for year 2020.

EY undertook a comprehensive assessment of the Board, Board Committees and Individual Directors. The questionnaire for each Board member were customized based on the Individual representation in the respective entity's Board and/or Board Committee in 2020. The assessment also included interview sessions with selected Directors and Senior Management officers within the Group to gain more insight for overall evaluation.

SCOPE OF BOARD EVALUATION



	Directors [^]	Senior Management
Questionnaires	24 Directors completed • Board & Board Committees questionnaires • Individual Directors (self & peer) questionnaires	10 Senior Management completed • Questionnaires for management
Interviews	13 Directors	7 GMC Members

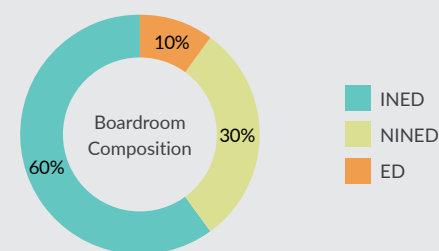
Note: [^] includes common Directors who also serve on subsidiary boards.

COMPOSITION OF THE BOARD

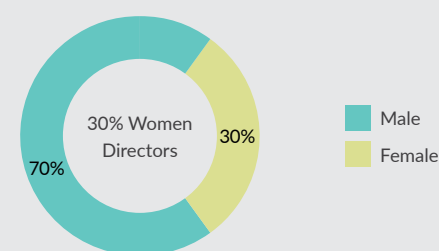
The Board understands and acknowledges the importance of having a well-balanced, diverse, experienced and cohesive group to drive the long-term sustainable success of the Group through ethical, responsible and experienced leadership. During the year, there were six Independent Non- Executive Directors ("INED"), three Non-Independent Non-Executive Directors ("NINED") and one Executive Director ("ED") i.e. the Managing Director/CEO serving on the Board of RHB Bank Berhad.

The existing Board composition provides extensive relevant business experience needed to oversee the efficiency and sustainable operation of the Group's activities where individual Directors bring a diverse range of skills, knowledge and experience (including financial & non-financial, industries and local & international experiences), which are necessary to provide effective governance and oversight of the Group. In our case, board diversity has added value to our discussion and deliberation of the Group's business operations with strong opinions and challenges from the independent and non-independent viewpoints.

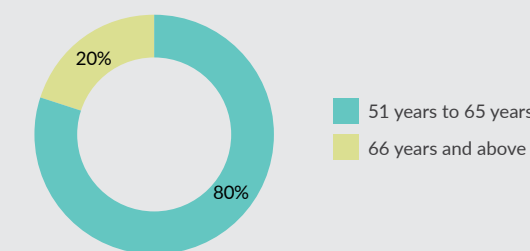
Boardroom Independence



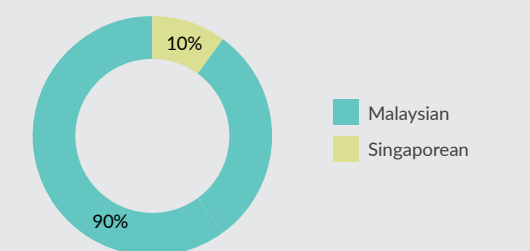
Board Diversity (Gender)



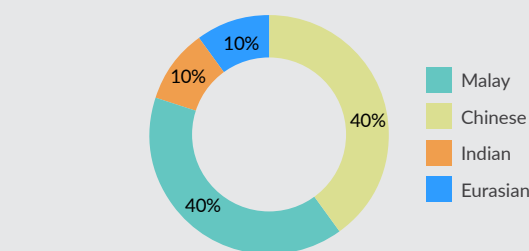
Age Diversity



Nationality



Ethnicity

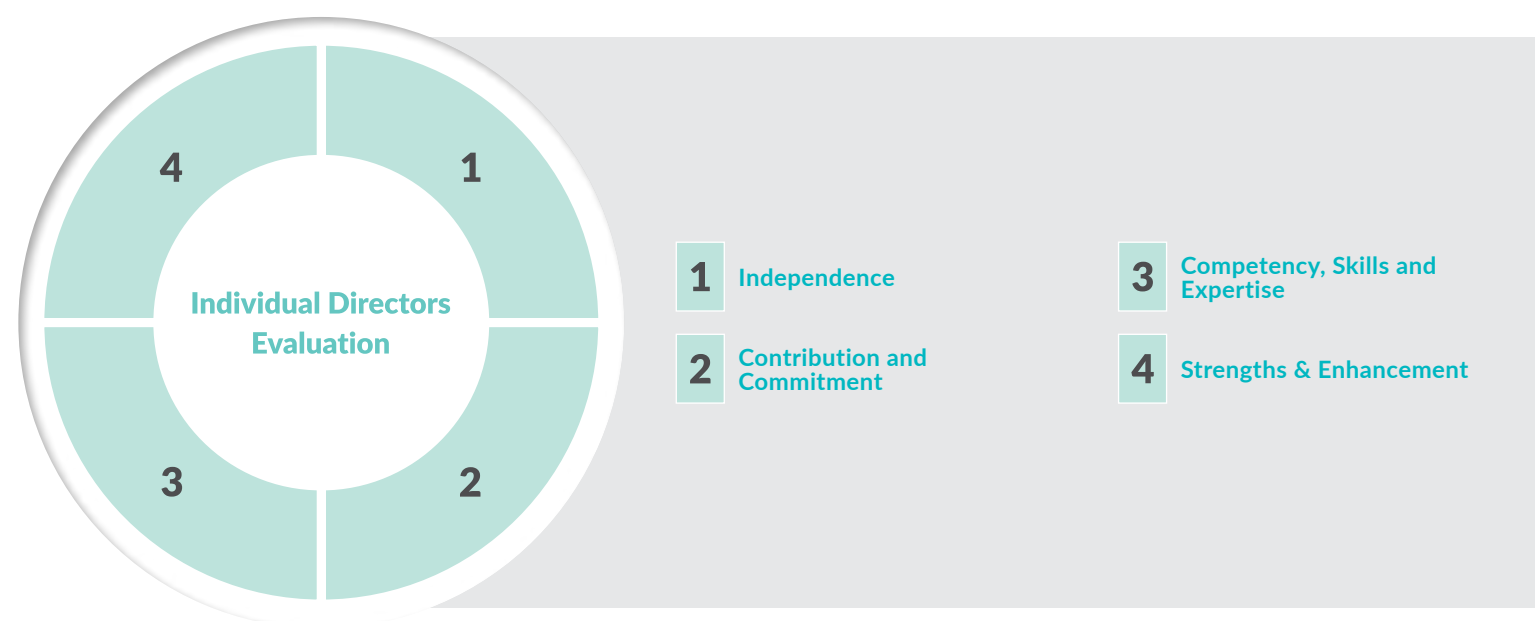


Combined Board Skills & Experiences

Leadership and Management	100%
Banking	56%
Finance	67%
Treasury Capital & Securities Markets	67%
Governance, Risk and Compliance	23%
International Trade	12%
MIS & Technology	12%
Cybersecurity & Data Privacy	12%

GOVERNANCE FOR A SUSTAINABLE BUSINESS

The Board Effectiveness Evaluation (“BEE”) questionnaires were designed based on the principles and governance practices set out in local regulatory standards and requirements, as well as international good practices, which covered the following pertinent areas:



Based on the external consultant’s assessment, the current Board has **positive culture and dynamics** allowing for open deliberation, active participation and strong commitment by its members. It has **good diversity** with appropriate mix of experience and expertise that collectively contribute to board effectiveness, **strong oversight** in areas of governance, compliance, risk management and financial reporting. On areas of improvements, it needs better strategic focus, which includes **incorporation of ESG** related matters and **stronger engagement** with senior management in matters related to strategy.

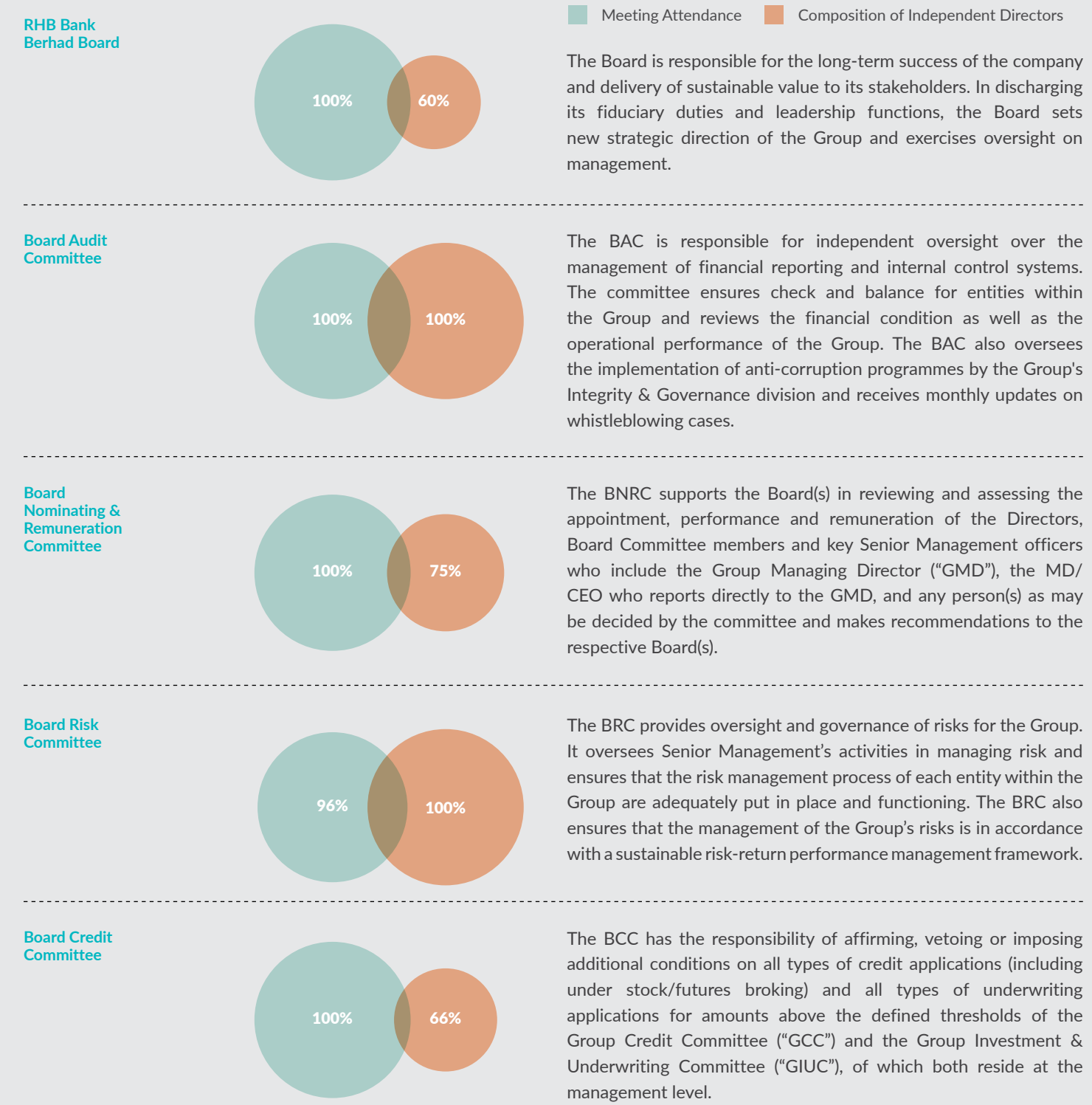
For detailed information on the BEE for FY2020, kindly refer to Practice 6.1 of RHB Bank Berhad’s Corporate Governance Report 2021.

GOVERNANCE FOR A SUSTAINABLE BUSINESS

BOARD AND BOARD COMMITTEES’ MEETING ATTENDANCE IN 2021

In line with the Group’s effort to safeguard our directors and employees during the COVID-19 pandemic, most of the Board and Board Committees’ meetings were conducted virtually. The Board and Board Committees continued meeting regularly to carry out their respective duties and responsibilities and we are pleased to disclose that all directors were able to join, participate and contribute in the meetings efficiently during the year with **no absentees** recorded for **RHB Bank Berhad’s Board meetings**.

COMPOSITION OF THE BOARD & BOARD COMMITTEES



For detailed information on Board and Board Committees attendance, kindly refer to RHB Bank Berhad’s Corporate Governance Report 2021.

GOVERNANCE FOR A SUSTAINABLE BUSINESS

GOVERNANCE FOR A SUSTAINABLE BUSINESS

BOARD ACTIVITIES & FOCUS DURING THE YEAR

Year 2021 saw the fourth year of RHB's FIT22 strategy in motion and the Group began to be strategically ready itself for a refresh of its strategic plan. The Group will look into further strengthening its brand promise of *Together We Progress* organically and seamlessly to better serve our communities.

This is supported by the Group's refreshed purpose statement, *Making Progress Happen for Everyone*, which sees RHB Banking Group reigniting its own corporate identity towards achieving our goals and aspirations. The Board continued its attentive oversight of management to ensure that the Group's businesses are well-managed and controlled by embracing good corporate governance and giving consideration to ESG-related matters in support of the Board's agenda to take the Group's businesses forward.

THE BOARD		GOVERNANCE DASHBOARD	
<p>Performance and Strategy</p> <ul style="list-style-type: none"> Reviewed and approved the Group's strategic business plan for the year Monitored the progress of FIT22 strategic plan Reviewed and approved the new strategic plan Received updates from various business units locally and abroad on market conditions and business performance Discussed on the challenges and opportunities faced by the Group (during the Board off-site session) Received updates on the progress of Agile@Scale of working Reviewed RHB's response to COVID-19 and assessed the impact of COVID-19 on the Group's business operations and financial performance Received progress updates on the Group's digital banking initiatives and IT transformation 	<p>Governance, Sustainability, Risk & Compliance</p> <ul style="list-style-type: none"> Approved the updated Group Anti-Bribery & Corruption Policy & Group Whistleblowing Policy Reviewed the Group's risk, compliance and audit reports Received various briefing/trainings to equip themselves with latest industry and regulatory developments Reviewed the Group's annual Corporate Governance statutory disclosure Discussed on the findings and improvement considerations deriving from the annual BEE assessment conducted by an independent consultant (external party) Received update on ESG/Sustainability matters and Climate Risk Management Received regular updates from supporting Board Committees Reviewed half-yearly reports to Malaysian Anti-Corruption Commission ("MACC") Received updates on matters relating to integrity, governance, whistleblowing and anti-corruption Approved the formation of the Group Sustainability Committee and its supporting committees Approved RHB Banking Group's 5-Year (2022 - 2026) Sustainability Strategy and Roadmap Received updates on RHB's AML/CFT Capabilities Enhancement (RACE) Programme 	<p>Financial</p> <ul style="list-style-type: none"> Approved the yearly operational budget Approved contents of the Integrated Report for FY2020 Approved dividend payment for FY2020/2021 Reviewed the impact of moratorium to the Group's financial strategies Deliberated various matters related to moratorium for its stakeholders Received updates related to economics and global financial markets Deliberated capital management plan & internal targets, with updates on international & regulatory capital framework Received update on Tax related matters 	<p>People & Culture</p> <ul style="list-style-type: none"> Discussed on talent management and succession planning Approved appointment of senior management personnel Received update on employees engagement and internal customers satisfaction surveys Received reports on COVID-19 impact on employees well-being and performance Reviewed and approved revision of employees' remuneration and value proposition, including Long-Term Incentive Plan ("LTIP") for the Group

CORPORATE GOVERNANCE ("CG") - PROGRESS AND MILESTONES

IN YEAR 2021	IN YEAR 2022	IN YEAR 2023	IN YEAR 2024	IN YEAR 2025/2026
<p>REFLECTION ON KEY CG BOARD FOCUS AREAS</p> <ul style="list-style-type: none"> Approved RHB Banking Group's 5-year (2022-2026) latest strategic roadmap Approved RHB Banking Group's 5-year (2022-2026) Sustainability Strategy and Roadmap Continued to monitor and accord the necessary protection for our Human Capital throughout the COVID-19 pandemic Continued to assess strategies related to developing and retaining the Group's Human Capital Annual Board Effectiveness Evaluation for FY2020 Approved the updated Group Anti-Bribery & Corruption Policy and Group Whistleblowing Policy to strengthen our existing internal controls Oversaw Strategic Succession Planning & Performance Appraisal for key senior management personnel Review of Board Remuneration 	<p>BOARD FOCUS AREAS</p> <ul style="list-style-type: none"> Review of Board Charter Conduct of Annual Board Effectiveness Evaluation for FY2021 Adoption of updated internal Group Policies and Guideline by regional subsidiaries Oversight over publication of the Organisational Anti-Corruption Plan ("OACP") for RHB Banking Group Performance-based Remuneration linked to ESG metrics Recovery & Resolution Planning 	<p>BOARD FOCUS AREAS</p> <ul style="list-style-type: none"> Succession planning for INEDs Climate risk management Recovery & Resolution Planning Scenario Planning Corporate Integrity Pledge Conduct of Annual Board Effectiveness Evaluation for FY2022 Review on the implementation of the action plans set under the OACP 	<p>BOARD FOCUS AREAS</p> <ul style="list-style-type: none"> Review of Group Anti-Bribery & Corruption Policy Review of Group Whistleblowing Policy Conduct of Annual Board Effectiveness Evaluation for FY2023 Review the progress of key milestones set within the approved OACP 	<p>BOARD FOCUS AREAS</p> <ul style="list-style-type: none"> Review of OACP Conduct of externally facilitated BEE Business Integrity Quality Assurance

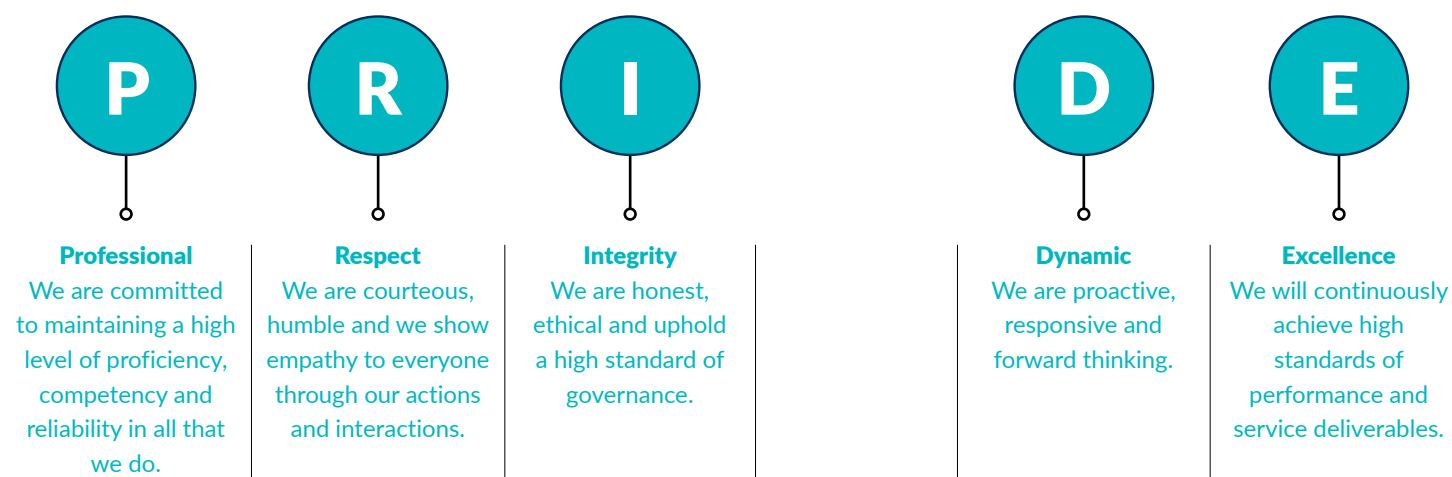
Ethical & Sound Leadership

The Board's role is to promote long-term sustainable success of the Group, mainly generating value for all its stakeholders, including shareholders, employees, customers, suppliers and the communities in which the Group operates, while exercising good business judgement in developing strategy, delivering objectives and managing the risks that are faced by the organisation. The Board is also responsible for instilling the right and appropriate culture, values and behaviours throughout the organisation.

The Board views ethical leadership as one of its core responsibility. The Group's ethical culture is guided and led by the tone from the top. The ethical principles and values are driven by the Board through RHB's leadership team and are embedded across the Group. To ensure our messages on this matter is consistent, the Group has in place codes of business ethics and conduct for the Board and employees. These codes convey the minimum requirements that must be met by our people in doing business the RHB Way.

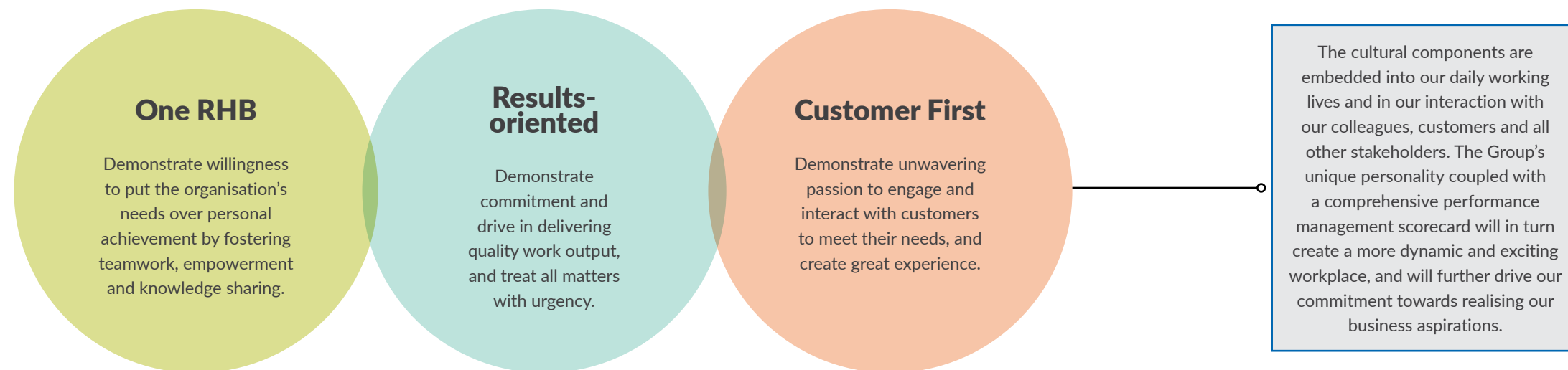
Driving Our Core Values

The Group's Core Values remained unchanged as they are pillared to our efforts in creating value for our customers and business partners. Our values define who we are and at RHB, the Board takes P.R.I.D.E in who we are and what we do. The effort to ensure consistent application of values and cultural norms are supported by the tone at the top, the board and senior management, who set, review and drive the application group-wide throughout the whole organisation.



Our DNA Culture - Cultivate & Nurture:

At RHB, we understand the value of cultivating and nurturing a corporate culture that is inclusive, customer-centric and productivity driven. A strong corporate culture contributes to the identity and values of our organisation and supports our efforts to attract and retain the right talent, differentiate ourselves from our peers and highlight our corporate competitive advantage and brand identity.



APPLICATION OF THE PRACTICES ESPOUSED BY THE MCCG

RHB Bank Berhad has adopted and applied all Practices as recommended by the Malaysian Code on Corporate Governance except **Practice 8.3 - Step up** which requires *disclosure of detailed remuneration of each member of senior management on a named basis*. Detailed disclosure on the governance practices can be found in the Corporate Governance Report.

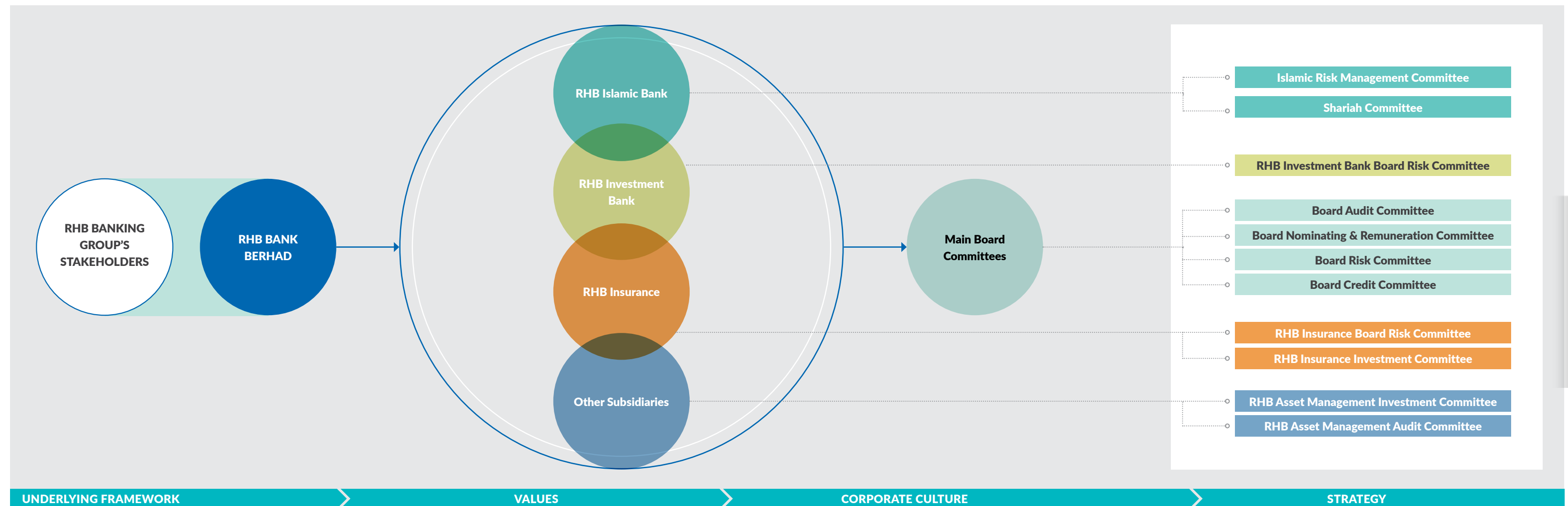
AWARDS & RECOGNITION



Governance Framework

RHB Banking Group operates within a clearly defined governance model which is approved by the Board. This model provides the Group with a clear governance structure which guides the governance practices and authority of decision-making across the Group.

This delegation of authority is clearly defined within the Terms of Reference ("ToR") of the respective Board Committees. The ToRs are reviewed periodically by the Board and respective committees to ensure their mandates are carried out in-line with the best practices and regulatory requirements. The composition of the Board Committees are periodically reviewed by the Board and where required, improved with the support of the Board Nominating & Remuneration Committee.



Board & Senior Management Remuneration

The Board ensures the remuneration package offered promotes the achievement of strategic objectives within the ambient of RHB's cultural components, risk appetite and regulatory compliance. The Board Nominating & Remuneration Committee ("BNRC") has been entrusted with discharging the remuneration strategies, as outlined in its Terms of Reference, which can be referred on RHB corporate website. Detailed information on RHB's remuneration practice can be found per disclosure in Section B of our Corporate Governance Report 2021.

Decision Making

The Board has a formal schedule of matters specifically reserved to it for decision as noted herewith and delegates other responsibilities to Management for day-to-day operations. Decisions made by the Board during deliberations are only approved when there is unanimous support.

Matters Reserved for the Board

- i. Business and operating strategies
- ii. New business plans or changes to existing ones
- iii. New investments/divestments
- iv. Mergers and Acquisitions
- v. Expansion/entry into new markets/geographical regions
- vi. Corporate restructuring/reorganisation
- vii. Set-up of new subsidiaries
- viii. Joint ventures
- ix. Partnerships or strategic alliances
- x. Acquisitions/disposal of significant assets
- xi. Progress of Business Strategy
- xii. Senior Officers' Appointment

Anti-Bribery & Corruption ("ABC")

The Board continues to pay heed towards the culture and conduct of our employees. As financial services providers, we are held to a higher moral standard as guardians of public trust on the financial system.

RHB Banking Group operates on a zero tolerance approach towards internal fraud, including bribery and corruption. All employees, customers and associated persons with the Group are expected to conduct their business dealings with utmost integrity and in-line with the Group Anti-Bribery & Corruption Policy. Any wrongdoings or corrupt practices can be reported through the Group's various whistleblowing channels, including via speakup@rhbgroup.com

The Board has overseen the establishment of the Group Integrity & Governance division to drive the Group's anti-bribery and corruption efforts by inculcating good business ethics and promoting integrity in daily workplace conduct. For detailed information on integrity strengthening efforts, kindly refer to the Corporate Integrity & Ethical Business Conduct section within this Integrated Report.

Corporate Governance

Continuous Professional Development

The Board undertook necessary training programmes to ensure members are well equipped with industry and regulatory developments. Detailed information on the training programmes attended by individual Directors is provided under Section B of our Corporate Governance Report.



Board Diversity Policy

The Boards of RHB Bank Berhad and its subsidiaries are committed towards maintaining a board composition that embodies diversity. The Group is cognisant of the value arising from having a diverse Board as it is a crucial component in influencing how the Board functions and the dynamics between its members. RHB Bank Berhad currently has 30% women directors serving on its Board. Apart from gender diversity, the Board Diversity Policy also recognizes and emphasizes on diversity in its widest sense, including ethnicity, thought, tenure, age, experience, skills, geographical expertise, educational and professional background.



Note: In relation to gender diversity for senior management, please refer our Sustainability Report 2021

Company's Dividend Policy

Since 2020, the Company also adopted a dividend policy where the dividend pay-out ratio is to be 30% of its net profit at minimum, providing a sustained return to the shareholders as its commitment moving forward.

Highlights 2021

Independence and Fit & Proper Test

- The Chairman of the Board is neither a member of the Board Audit Committee nor the Board Nominating & Remuneration Committee.
- All Independent Non-Executive Directors ("INEDs") have passed the Fit & Proper requirement and have provided their declaration on any possible conflict of interest.

Board Governance Handbook

The Board had put in place a Board Governance Handbook ("BGH") for quick reference and easy guidance, incorporating code of ethics and business conduct, diversity policy, remuneration policy, etc. Please refer to RHB Bank Berhad's Sustainability Report for additional information on the BGH.



Please refer to RHB Bank Berhad's Sustainability Report for additional information on the BGH.

Board Meetings

Board meetings for the calendar year in 2022 are scheduled in advance, prior to the start of the new calendar year to ensure proper management of meetings and schedules for the Board. The agenda for each board meeting is also set and disseminated in a timely and efficient manner prior to the meetings to allow directors to prepare ahead of time.

ROLES AND RESPONSIBILITIES

Chairman

- Lead the Board in its deliberations
- Preside over the General Meeting(s)
- Ensure effective communication between the Board and its stakeholders
- Communicate regularly with Group Managing Director and other Senior Management officers on the affairs of the Group

Senior Independent Non-Executive Director

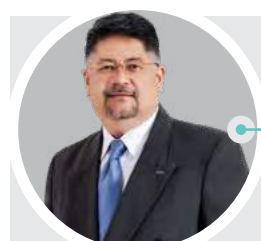
- Act as a sounding board member to the Chairman and be a conduit between the independent and non-independent members of the Board
- Lead the Independent Directors in conducting executive sessions with Senior Management

Independent Non-Executive Director(s)

- Monitor and challenge the performance of the management
- Exercise independent judgment in deliberating and reviewing items brought before the Board and Board Committees

Group Managing Director

- The Group Managing Director/Chief Executive Officer undertakes the responsibility to execute the Group's overall strategies



Company Secretary & Chief Integrity & Governance Officer

Azman Shah Md Yaman leads the Group's Legal, Secretariat & Governance functions. He is accountable directly to the Board, through the Chairman, on all matters with regards to the formal functioning of the Board. He leads and acts as the guardian to these policies and principles of good governance. Azman is a qualified Advocate & Solicitor of the High Court of Malaya with an LLB (Honors) from the International

Islamic University Malaysia ("IIUM"), a Licensed Company Secretary (LS 0006901) and an affiliate of the Malaysian Institute of Chartered Secretaries & Administrators. Azman also shoulders the responsibility as the Group's Chief Integrity and Governance Officer ("CIGO") within RHB Banking Group. He is a Certified Integrity Officer ("CeIO") accredited by the Malaysia Anti-Corruption Academy ("MACA").

ACCOUNTABILITY

GROUP COMPLIANCE

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the Group's risk management and internal control systems, which are designed to facilitate effective and efficient operations and to ensure the quality of internal and external reporting in compliance with applicable laws and regulations. The Directors and Senior Management are committed to maintaining a robust control framework as the foundation for the delivery of effective risk management. The Directors acknowledge their responsibilities in relation to the Group's risk management and internal control systems, including reviewing their effectiveness.

In establishing and reviewing the risk management and internal control systems, the Directors carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, the likelihood of a risk event occurring and the costs of control. The process for identification, evaluation and management of the principal risks faced by the Group is integrated into the Group's overall framework for risk governance. The Group is forward-looking in its risk identification processes to ensure emerging risks are identified. The risk identification, evaluation and management process also identifies whether the controls in place result in an acceptable level of risk.

At Group level, consolidated risk report and risk appetite dashboard are reviewed and regularly debated by the executive Group Capital & Risk Committee, Board Risk Committee and the Board to ensure that they are satisfied with the overall risk profile, risk accountabilities and mitigating actions. The report and dashboard provide a monthly view

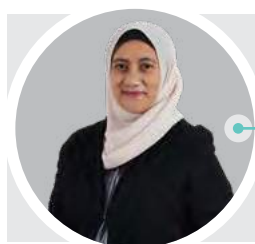
of the Group's overall risk profile, key risks and management actions, together with performance against risk appetite and an assessment of emerging risks which could affect the Group's performance over the life of the operating plan. Information regarding the main features of the internal control and risk management systems in relation to the financial reporting process is provided within the statement on risk management and internal control on pages 154 to 163. The Board concluded that the Group's risk management arrangements are adequate to provide assurance that the risk management systems put in place are suitable with regard to the Group's profile and strategy.

The effectiveness of the risk management and internal control systems is reviewed regularly by the Board and the Board Audit Committee, which also receives reports of reviews undertaken by Group Risk & Credit Management and Group Internal Audit. The Board Audit Committee receives reports from the Group's external auditor, PricewaterhouseCoopers PLT (which include details of significant audit and accounting matters that they have identified), and meet with the external auditor at least twice a year without the presence of Management and Executive Director for private discussions and to ensure that there are no unresolved issues of concern.

The Group's risk management and internal control systems are regularly reviewed by the Board and are consistent with Bursa Malaysia's guidance on Risk Management & Internal Control, and Related Financial and Business Reporting issued by the Malaysian Financial Reporting Council and compliant with the requirements of Bank Negara Malaysia. They have been in place for the year under review and are periodically reviewed and updated.

GROUP COMPLIANCE

The regulatory environment for financial institutions is increasingly complex and always changing. New laws and regulations continue to evolve which consequently increases regulator's expectations. Any failure to ensure compliance may result in significant financial losses, heavy penalties and reputational consequences.



Group Chief Compliance Officer

Fazlina Mohamed Ghazalli leads and executes Group-wide compliance strategic plans that enables RHB Banking Group to comply with regulatory requirements. She reports to the Board Risk Committee.

Fazlina has over 20 years of banking experience and was in legal practice prior to starting her career in banking in 2001. Fazlina holds a Bachelor of Laws degree from the University of East Anglia, UK. She is a Chartered Banker and a Certified Professional in Anti-Money Laundering / Combating the Financing of Terrorism ("AML/CFT").

As a prudent financial services provider, the Group is committed to upholding good governance principles and regulatory requirements. These principles are further outlined in the Group's Compliance Management Framework and Policy which serve as an important guide for the Group to enable incorporation of compliance best practices throughout the Group's business.

The Group's compliance function, which acts as a second line of defense, operates on a group-wide basis with an appointed Group Chief Compliance Officer overseeing the compliance risk management of the Group which extends to all entities within Malaysia and its overseas branches and subsidiaries.

MATERIAL RISK



CYBERSECURITY

Cybercrime continues to increase and become more sophisticated, more frequent and widespread. As the Group moves towards embracing digitalisation and automation, the threat to information security becomes imminent, more so, due to the current COVID-19 pandemic where digital channels became a necessity.

ACTION TAKEN

- Continuous monitoring and engagement with business units/IT team to ensure awareness on technology related regulatory requirements and the risk of cyber threats.
- Heightened cyber-risk assessments in relation to the existing systems of the Group including regular reviews on processes and controls to establish the need for any additional security measures.



PROTECTION OF INFORMATION

The Group has an obligation to ensure that information pertaining to its business and its clients and all activities related to them remain secure, confidential and private.

ACTION TAKEN

- Implementation of the Group Chinese Wall and Insider Trading Policy ("Chinese Wall Policy") to ensure that there is an information barrier between departments to prevent and/or control the flow of material non-public and price sensitive information.
- Various engagement sessions and development of training tools for employees to better understand the principle behind the Chinese Wall Policy and secrecy provisions of the Financial Services Act 2013 and Islamic Financial Services Act 2013.
- Heightened oversight and monitoring vis-à-vis handling of customer information including ensuring strict observance to BNM's policy on Management of Customer Information and Permitted Disclosures and the Group's Data and Information Management Framework and Policy.



REGULATORY COMPLIANCE

As regulatory requirements evolve and constantly change, managing non-compliance risk and meeting regulatory standards and expectations has become a daily focus for the Group.

ACTION TAKEN

Instilling a strong compliance culture across all functions of the Group through the following compliance monitoring framework:

- Implementation of comprehensive and clear compliance policies, circulars and guidelines throughout the Group.
- Frequent compliance reviews and testing to evaluate effectiveness of current processes and close regulatory gaps.
- Timely reporting of compliance matters, findings and corrective measures to the Board.
- Annual compliance risk assessments to identify high risk areas and allocate resources effectively to mitigate such risks.
- Promote adherence to regulatory requirements through regular compliance trainings and awareness programmes.
- Address employee misconduct that resulted in regulatory non-compliance by incorporating a penalty in the final rating of employee's performance evaluation.



Compliance Amidst COVID-19

As the world continued to fight its battle against the COVID-19 pandemic, the Group continued to operate through the various movement control orders and experienced its own set of challenges. Like many other industries, the Group was forced to adapt and navigate through the new normal and ensure business continuity while maintaining its standards to provide quality services to its customers. Our compliance function on the other hand, remained dedicated to ensure that there is no compromise to the Group's regulatory obligations amidst the uncertainties and focused on strengthening its oversight responsibilities.

GROUP COMPLIANCE

The following are some of the key initiatives by Group Compliance for 2021 in its effort to remain vigilant amidst the COVID-19 pandemic:

INITIATIVES	OUTCOMES
<ul style="list-style-type: none"> Organised focused compliance clinics where topics were selected based on the outcome of compliance reviews. Optimised the usage of alternative learning platforms such as short explainer videos, webinars, Microsoft Teams to conduct compliance trainings. Issuance of compliance bulletins and regulatory alerts on key compliance issues and development throughout the year. Published educational materials for RHB customers on financial and cyber scams. 	<ul style="list-style-type: none"> Continued accessibility to compliance learning, particularly for employees under remote work arrangement. Increased learning attentiveness and improved understanding by employees on regulatory requirements and what is expected of them resulting in improved compliant behavior. Raised both employees and customer awareness to prevent scams and frauds.
<ul style="list-style-type: none"> Enhancement of the AML/CFT robotic process automation and the AML Graph Analytics Measurable Metric system to further facilitate the conduct of transaction monitoring/AML investigation. 	<ul style="list-style-type: none"> Productive and efficient AML transaction monitoring and data gathering process which translate into a faster and shorter timeframe in completing AML alert reviews and assessments.
<ul style="list-style-type: none"> Overall review of policies, circulars and guidelines to ensure that the Group's operational and business processes are updated where required, to cater for the new normal. Performed annual compliance and AML risk assessments. Increased compliance and regulatory reviews to detect procedural gaps vis-à-vis regulatory requirements. 	<ul style="list-style-type: none"> Business continuity while minimising non-compliance risks amidst the new normal. Timely compliance risks identification and solutions to address the same.
<ul style="list-style-type: none"> Use of technology and system enhancements to meet compliance requirements. 	<ul style="list-style-type: none"> Automated monitoring in the area of employee personal trading. Enhanced surveillance on equity market activities. Improved oversight from shariah compliance perspective vis-à-vis customer on boarding.
<ul style="list-style-type: none"> The "A Branch Compliance Day Programme" was continued on a wider scope in 2021 in line with the Group's effort to build a positive compliance culture. In 2021, a total of 80 branches benefited from the initiative and exchanged various compliance issues and developments. Launched the Compliance Culture and Behavioral Assessment Survey to better understand staff's perception towards compliance and assess the state of compliance of the Group. Conducted various refresher / re-train the trainer sessions for compliance advocates to ensure that they stay updated vis-à-vis their compliance knowledge. 	<ul style="list-style-type: none"> Minimised communication gap between the compliance team and branch staff, particularly on the challenges faced by them in ensuring compliance. Improved understanding on how compliance is perceived amongst staff. Further, the survey assisted compliance in identifying new focus area for monitoring. Aligned understanding on regulatory and compliance expectation.

KEY PRIORITIES FOR 2022

Cultivating a culture of compliance goes beyond just communicating the importance of obeying regulatory requirements to its employees. It requires continuous vigilance and efforts to influence a widespread change. The Group understands this and is always looking out for new strategies to ensure that compliance is embedded as part of everyone's responsibility in the organisation.

The following are our key priorities for 2022:

- Optimise the use of innovative solutions such as data & advanced analytics, artificial intelligence and digital initiatives to enhance and automate regulatory and AML compliance capabilities;
- Continue with the Group's effort to raise staff awareness on compliance requirements;
- Cultivate a self-sufficient, confident and responsible decision-making process at the first line of defence and overseas staff; and
- Continuous development of compliance competency and talents of the future.

The above are by no means an exhaustive list of priorities that the Group has set for 2022. With the uncertainties surrounding the economic environment due to the continuous threat posed by the pandemic, the Group will not underestimate the emergence of new compliance risks and the need to come up with improved strategies to combat the same and protect its stakeholder's interest.

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

The Board firmly believes the manner in which we conduct our business affairs must embed good practices which are, ethical, honest, fair and transparent.

During the year, Group Integrity & Governance ("GIG") division as empowered by the Board had undertaken several initiatives to ensure the Group's corporate integrity and ethical business conduct are strengthened and reinforced. A new Integrity & Governance Charter was also approved by the Board on 3rd September 2021. Pursuant to this, all GIG staff led by the Group's Chief Integrity & Governance Officer were required to sign a Confidentiality Undertaking to ensure that their access to privileged and confidential information related to whistleblowing and other sensitive matters are adequately governed and protected.

The mandatory e-learning on Anti-Bribery & Corruption module introduced in year 2020 for all the Group's employees had a completion rate of 99%. During 2021, new employees who joined RHB Banking Group were required to complete this e-learning module as part of their on-boarding programme.

In addition, the Group also embarked on the following initiatives in 2021:

- Strengthened the GIG division by recruiting two new staff during the year to take charge of the Detection & Verification function and also Integrity Strengthening function.
- Established the Information & Complaints Assessment Committee at management level to evaluate all complaints (whistleblowing and non-whistleblowing) received by GIG.
- Established two Functional Manuals covering Complaint Management and Detection & Verification for internal reference to ensure tasks are carried out effectively.
- Obtained access to the Malaysian Anti-Corruption Commission's integrity vetting system (e-STK) which allows RHB to conduct due diligence on identified high-risk senior officers' positions prior to their appointment.
- Included Anti-Bribery and Corruption clause within the Current Account & Savings Account ("CASA")'s standard Terms & Conditions to convey the Group's stance on bribery and corruption to our customers.
- Undertook annual corruption risk assessment with the results being elevated to the respective Board Committee(s) and the Boards for review and evaluation;
- Conducted a group-wide survey on integrity, governance & corruption to better understand the level of employee understanding on matters related to anti-bribery and corruption, gifts and hospitality and the Group's whistleblowing avenues and processes.
- Organised relevant townhall and briefing sessions for awareness, as follows:

TRAINING & AWARENESS

Organised group-wide Corruption Risk Management ("CRM") and Organisational Anti-Corruption Plan ("OACP") workshops for various units/departments/divisions to facilitate with the development of RHB Banking Group's OACP.	CRM & OACP workshops 10 Sessions	Business/Functional Representatives 168 participants
Conducted a total of 65 internal training and awareness sessions for a total of 4,777 participants. These training sessions were designed to create awareness and ensure employees comply with the respective policies and guidelines covering anti-bribery & corruption, gifts and hospitality and whistleblowing within the Group.	Malaysia Operations 47 sessions 3,323 participants	Overseas Operations 18 sessions 1,454 participants
Conducted external training and awareness sessions for panel vehicles workshops operators, tow truck owners, adjusters and insurance agents emphasising the Group's stance on bribery and corruption along with the Group's expectations of third parties working with the Group.	External Training & Awareness 7 Sessions	RHB's Business Partners 1,807 participants

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

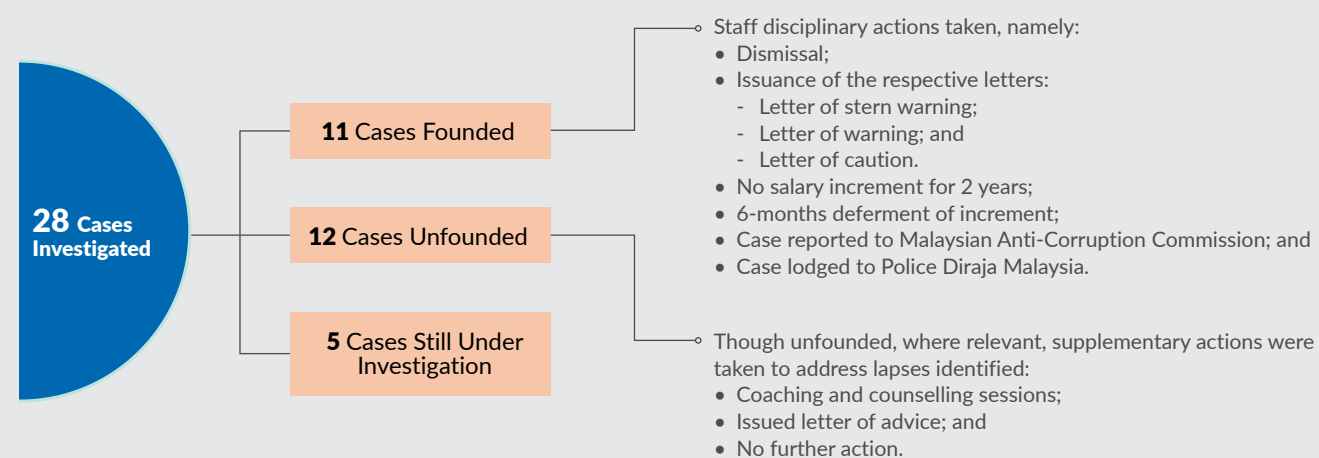
WHISTLEBLOWING & 'SPEAK-UP'

The Board Audit Committee ("BAC") is empowered by Board of RHB Bank Berhad to oversee all complaints (whistleblowing and non-whistleblowing) monitored by Group Integrity and Governance. The Group has in-place a Group Whistleblowing Policy and procedures which were further strengthened during the year by introducing a new primary whistleblowing channel, namely, speakup@rhbgroup.com and establishing the roles and responsibilities of the Group's Chief Integrity & Governance Officer.

The Group witnessed an increase in number of whistleblowing cases received from 12 cases in year 2020 to 17 cases in 2021, primarily attributed to additional training and awareness programmes conducted for the Group's employees and third parties during the year. These programmes allowed the Group's targeted stakeholders to have better understanding and greater confidence in the Group's overall whistleblowing processes and procedures.

The Lowdown on Whistleblowing and Non-Whistleblowing Reports

	Year 2020	Year 2021	% Y-o-Y
Whistleblowing Cases	12	17	+42%
Non-Whistleblowing Cases	1	11	+1000%
Total Complaint Cases	13	28	+115%
Founded Cases	9	11*	+22%



Note: * Subject to outcome of ongoing investigation on 5 cases in progress.

The Board, supported by GIG, will continue to undertake the following activities to ensure the Group continues to uphold a high standard of integrity and ethical business practices:

- Conduct periodic bribery and corruption risk assessment for the Group;
- Continue to conduct training and awareness sessions on the Group's existing policies and procedures;
- Communicate with both internal and external stakeholders on RHB's anti-bribery and corruption stance and relevant policies and procedures;
- Continue building capacity and capability for Group Integrity & Governance's staff to enhance their competency and credibility which include certification of newly recruited staffs as Certified Integrity Officer by Malaysia Anti-Corruption Academy;
- Ensure appropriate attention is given to all whistleblowing and non-whistleblowing reports within the purview of Group Integrity & Governance; and
- Manage all anti-bribery and corruption programs as well as integrity and governance related matters within RHB Banking Group.

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

In ensuring the Group's anti-bribery and corruption efforts are adequate and proportionate, the Group is guided by the following statutory and supervisory requirements:

- The Malaysian Anti-Corruption Commission ("MACC") Act 2009;
- Bursa Malaysia's Main Market Listing Requirements;
- The Guidelines on Adequate Procedures issued by the Prime Minister's Department in December 2018;
- The Guideline for the Management of Integrity and Governance Unit issued by the MACC in 2019; and
- Strategic Plan of Integrity and Governance Unit 2019-2021 issued by MACC.



STAKEHOLDER COMMUNICATIONS

STAKEHOLDER COMMUNICATIONS

INVESTOR RELATIONS

The Group is committed to providing timely and transparent information on corporate strategies and financial data to the investing communities. We consider ongoing engagement and communication with stakeholders as key to building trust and understanding between the Company and its stakeholders.

The Group manages communications with its key financial audiences, including institutional shareholders and financial analysts, fund managers and credit rating agencies through a dedicated investor relations unit. Communication channels include one-on-one meetings, group meetings, conferences and roadshow, conference calls, email and our corporate website.

In addition, presentations and conference calls take place after publishing financial results on Bursa Malaysia. A broad range of public communication channels (including stock exchange news services, corporate website, news wires and news distribution service providers) are used to disseminate news releases.

The company's corporate website provides the latest and historical financial and other information, including financial reports.

Virtual platform continued to be IR's main communication mode in 2021 as the pandemic situation prolonged

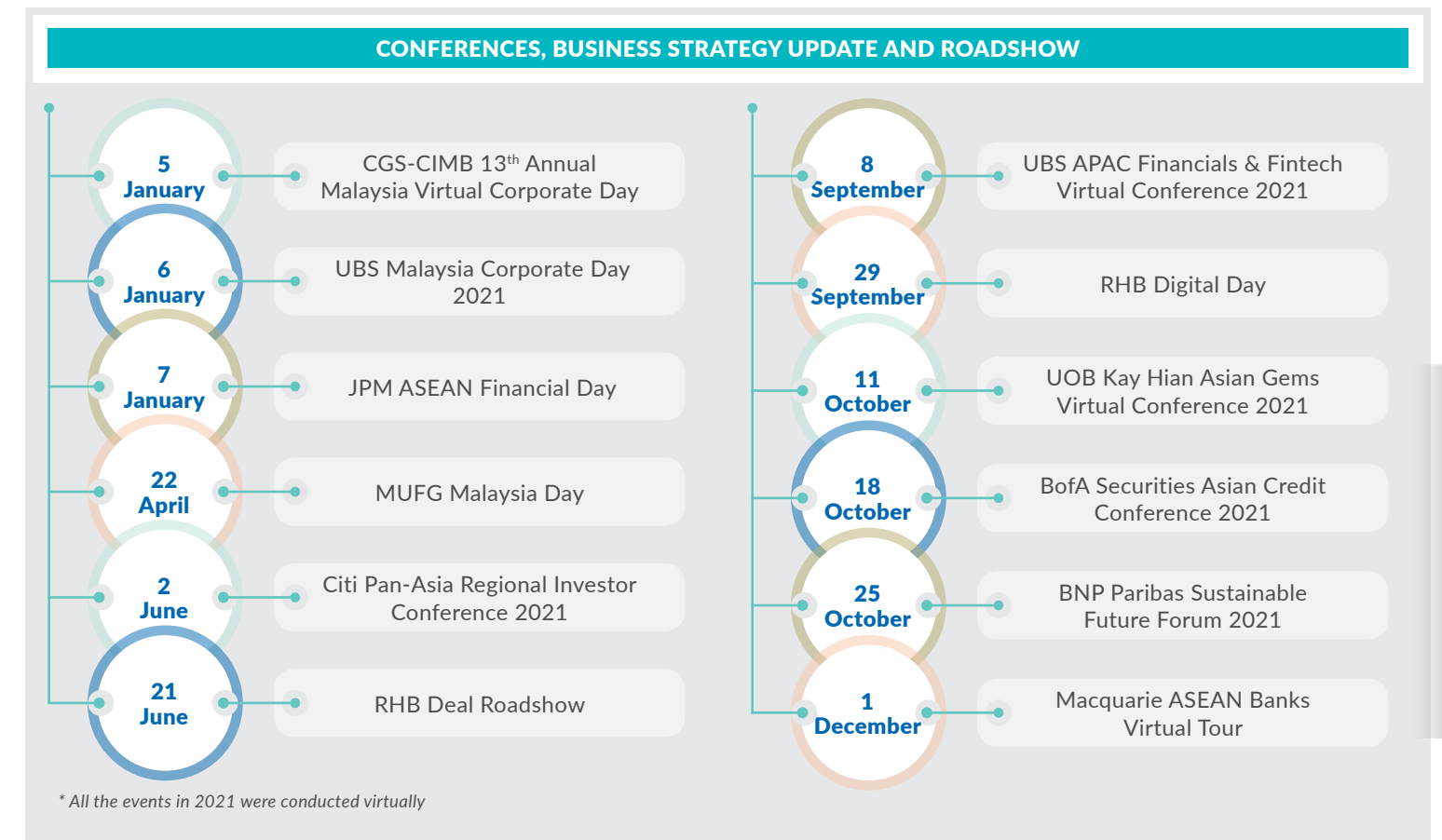
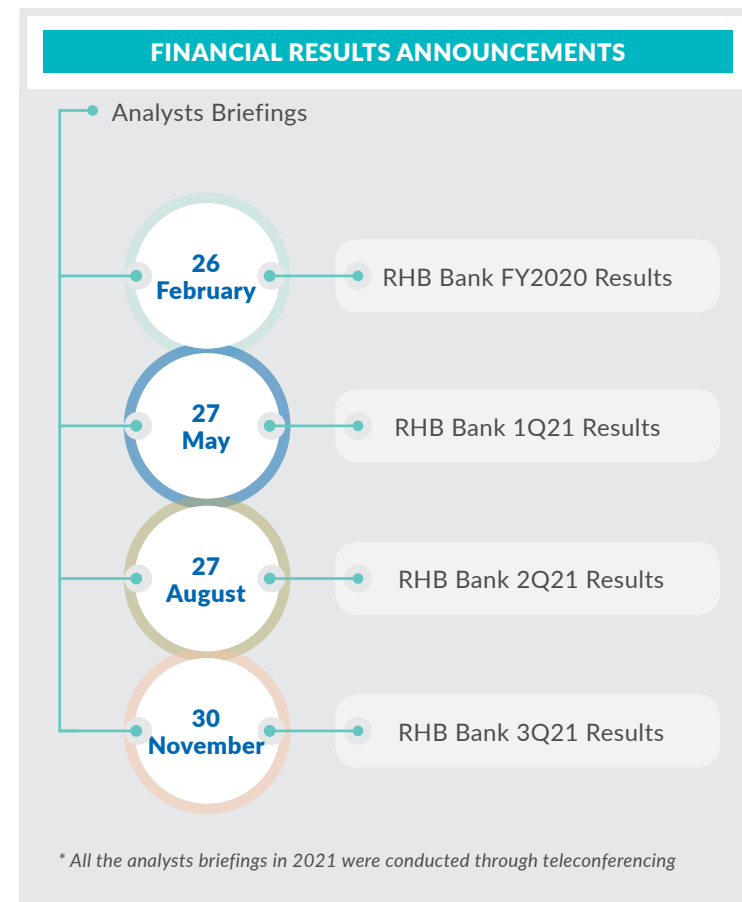
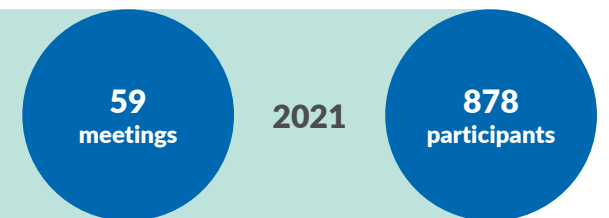
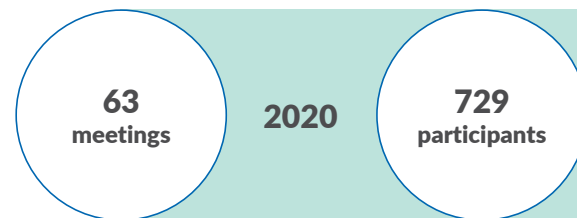
2021 share price closed slightly lower than a year ago, whilst our 3-year TSR remained at 1st rank

IR conducted:

- Analysts Briefings for Financial Results Announcement
- Deal Roadshow for Medium Term Note (MTN) Issuance
- Digital Day

Corporate website: www.rhbgroup.com

Email: investor.relations@rhbgroup.com



ANALYST COVERAGE LIST

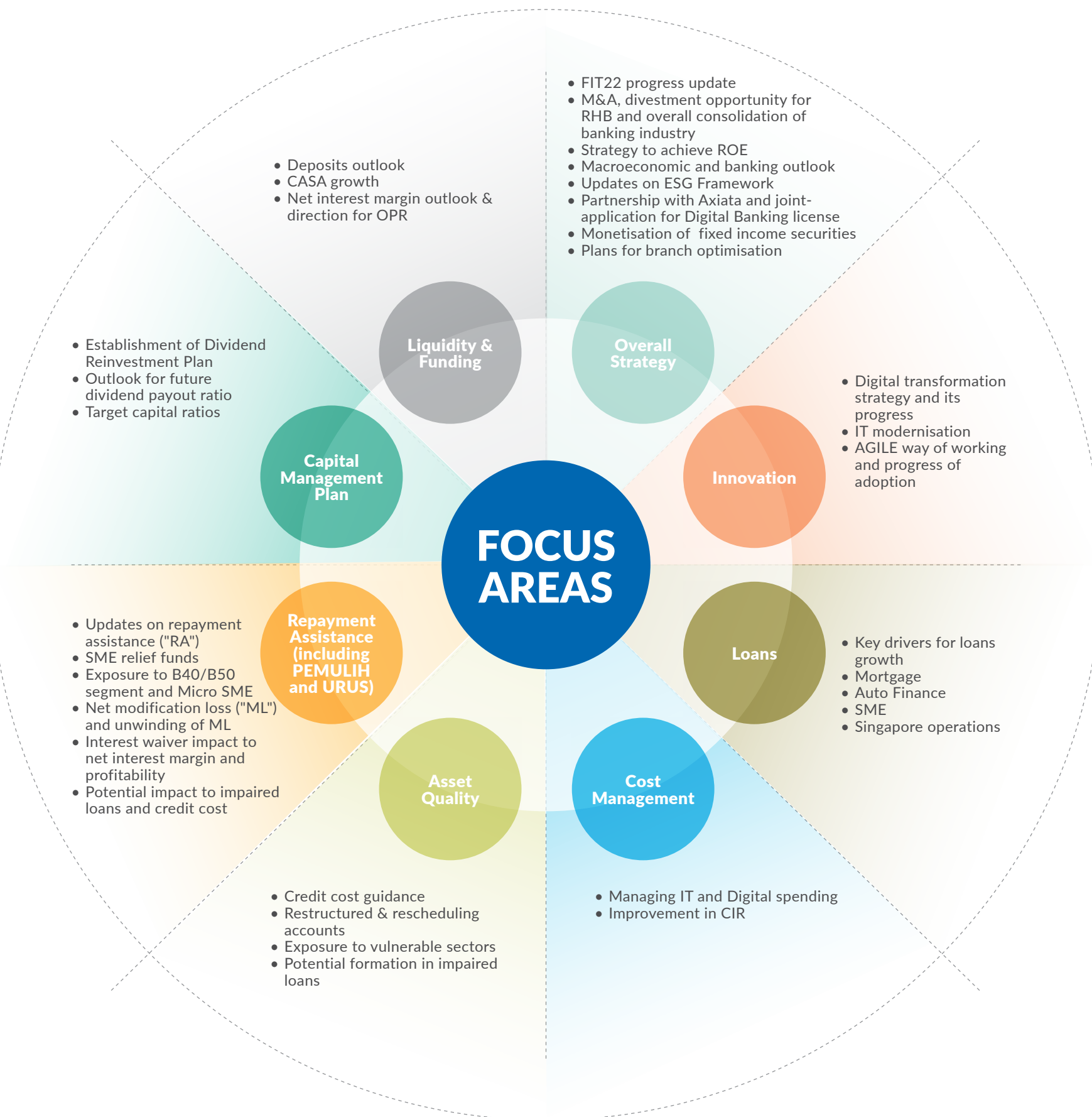
- Affin Hwang Investment Bank
- AllianceDBS Research
- AmResearch
- CGS-CIMB Securities
- Citi Investment Research
- CLSA Securities

- Credit Suisse Securities
- Hong Leong Investment Bank
- JP Morgan Securities
- KAF-Seagroatt & Campbell Securities
- Kenanga Investment Bank
- Macquarie Research

- Maybank Investment Bank
- MIDF Amanah Investment Bank
- Nomura Research
- TA Securities
- UBS Securities
- UOB Kay Hian

ANNUAL GENERAL MEETING

The Board encourages shareholders to attend the annual general meeting, notice of which appears in this Integrated Report, where shareholders have the opportunity to put questions to the Board, management and chairs of the various committees.



CREDIT RATINGS

RHB BANK BERHAD

RATING AGENCY	RATING CLASSIFICATION	RATINGS
RAM Rating Services Berhad	Long-Term Financial Institution Short-Term Financial Institution Outlook	AA2 P1 Positive
Standard & Poor's Rating Services	Long-Term Financial Institution Short-Term Financial Institution Outlook	BBB+ A-2 Negative
Moody's Investors Service	Long-Term Bank Deposits Short-Term Bank Deposits Baseline Credit Assessment Outlook	A3 P-2 baa2 Stable

RHB INVESTMENT BANK BERHAD

RATING AGENCY	RATING CLASSIFICATION	RATINGS
RAM Rating Services Berhad	Long-Term Financial Institution Short-Term Financial Institution Outlook	AA2 P1 Positive

RHB ISLAMIC BANK BERHAD

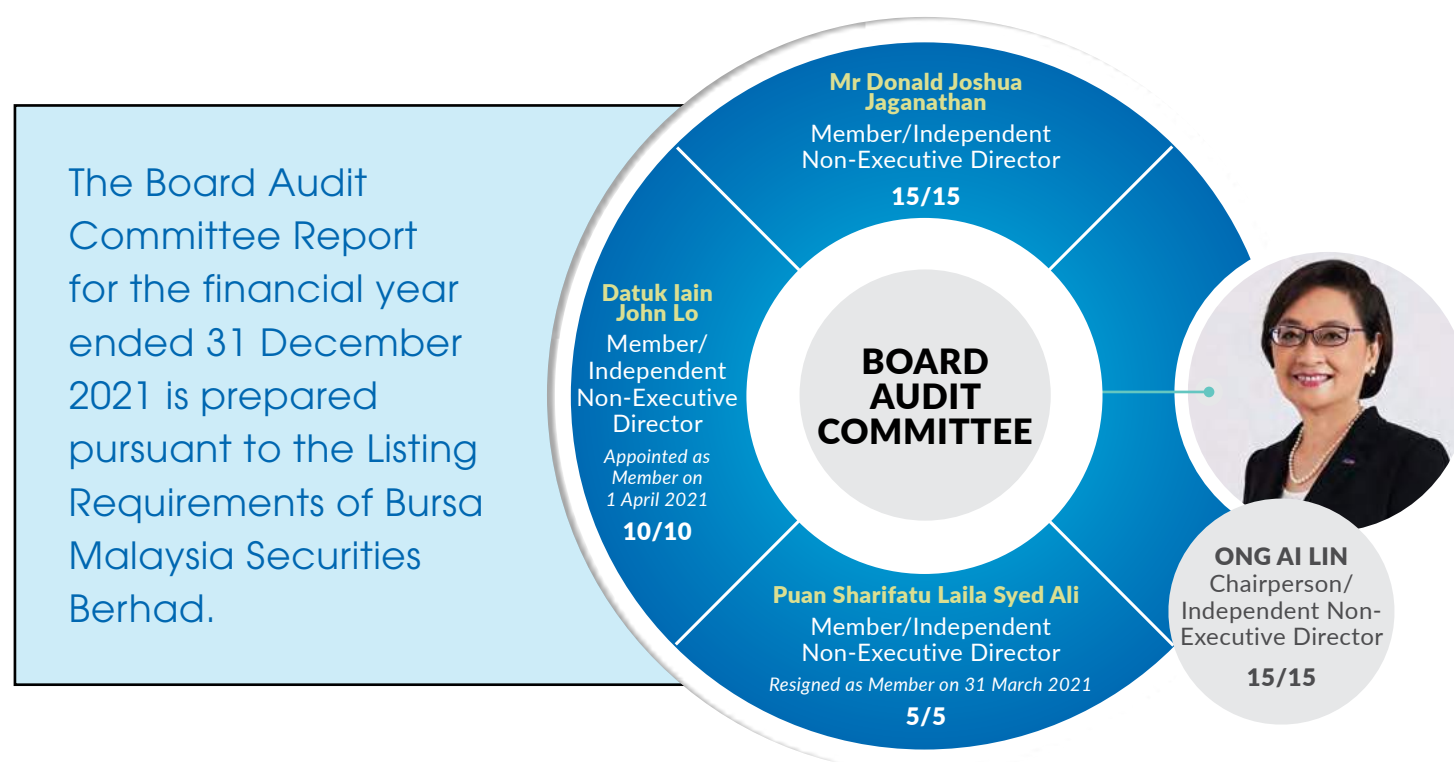
RATING AGENCY	RATING CLASSIFICATION	RATINGS
RAM Rating Services Berhad	Long-Term Financial Institution Short-Term Financial Institution Outlook	AA2 P1 Positive

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

A total of fifteen (15) Board Audit Committee ("BAC") meetings were held during the financial year ended 31 December 2021. The BAC comprises the following members and the details of attendance of each member at the BAC meetings held during the year are as follows:



The BAC undertakes the functions of the Audit Committee of the entities within the Group encompassing RHB Bank, RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad.

The BAC meetings were also attended by the Group Chief Financial Officer, being the Chairman of the Management Audit Committee ("MAC") of RHB Bank, the Group Chief Operations Officer and the Group Chief Internal Auditor ("Group CIA") while the attendance of other Senior Management is by invitation, depending on the matters deliberated by the BAC.

Where required, Management of the relevant functions were also invited to the BAC meeting to provide explanations on control lapses and remediation measures undertaken arising from matters highlighted in the audit reports.

Key matters deliberated at the BAC meetings together with the BAC's recommendations and decisions are summarised and presented to the relevant Boards, in the same month, by the Chairperson or representative of the BAC. This allows the respective Boards to be timely apprised of significant matters deliberated by the BAC and for the Boards to provide direction, if necessary. Extracts of the minutes of the BAC meetings held were provided to the respective Boards for their information.

AUTHORITY

The BAC is authorised by the Board to, among others, review and investigate any matters within its terms of reference; have direct communication channels with the external and internal auditors as well as regulators; obtain independent professional advice, if necessary, at the Company's expense; and access to Management and resources to enable effective discharge of its functions. The full terms of reference, including the authority, duties and responsibilities of the BAC are published on RHB Bank's website.

SUMMARY OF BAC ACTIVITIES IN 2021

The work carried out by the BAC in the discharge of its duties and responsibilities during the financial year are summarised as follows:

FINANCIAL REPORTING

- Reviewed the quarterly unaudited financial results and the annual audited financial statements of RHB Bank and the Group as well as the draft announcements before recommending them for the Board's approval. The review process encompassed the following:
 - Reviewed changes in accounting policy and adoption of new or updated accounting standards, and its impact to the financial statements.
 - Reviewed the financial statements and sought explanations from the Senior Management including the Group Chief Financial Officer on any significant changes between the current and corresponding quarter / period to assess their reasonableness.
- Discussed with the external auditors on the following matters identified during the statutory audit for the financial year ended 31 December 2021 as highlighted in their Audit Committee Report:
 - Significant audit and accounting matters including credit and impairment assessment as well as repayment assistance initiated by the Government due to COVID-19 pandemic;
 - Internal control recommendations;
 - Data auditing;
 - Tax related matters; and
 - Summary of uncorrected misstatements.

INTERNAL AUDIT

- Reviewed and approved the annual audit plan for the financial year 2021 to ensure adequacy of scope, coverage and resources as well as competency of the internal auditors.
- Reviewed the audit activities undertaken by Group Internal Audit ("GIA") for the financial year covering the planned audit assignments, investigations, ad-hoc audit projects, review of frameworks, policies and guidelines, products and services and IT project participation.
- Reviewed and approved the Balanced Scorecard for the Group CIA. Appraised the performance of the Group CIA and reviewed the appraisals of senior staff members of GIA, and approved the performance rewards for the Group CIA in accordance with the matrix approved by the Board.
- Reviewed and deliberated on the updates made to the Internal Audit Charter and recommended the same for approval by the Board of the respective entities.
- Reviewed and deliberated on the minutes of all MAC meetings, internal audit reports, audit recommendations, risk & impact and Management's responses to these recommendations as well as the root causes and timely remedial actions taken by Management to improve the system of internal controls and its processes on the areas highlighted.
- Reviewed and deliberated on the investigation reports tabled to the BAC and directed the Management to establish and implement the necessary controls to strengthen the internal control system.
- Reviewed the reports issued by the regulatory authorities and the Management's response as well as the remedial actions taken by Management in respect of the reported findings to ensure that all matters highlighted in these reports had been adequately and promptly addressed by Management.
- Reviewed the minutes of meetings of the Audit Committees of the overseas subsidiaries to the extent permitted by the relevant regulatory authorities to satisfy itself that all matters arising therefrom had been appropriately addressed by these Audit Committees.
- Deliberated on the External Quality Assurance Review Report prepared by the independent external assessor and provided guidance and directions to further enhance the effectiveness of the internal audit function.

BOARD AUDIT COMMITTEE REPORT

EXTERNAL AUDIT

- a) Reviewed the 2021 audit plan of the external auditors for RHB Banking Group covering the audit strategy, risk assessment and areas of audit emphasis for the year.
- b) Reviewed with the external auditors, the results of their audit together with their recommendations and Management's response to their findings as detailed in the following reports, and provided the BAC's views and directions on the areas of concern where necessary:

Reports issued by External Auditors in 2021	Date tabled to BAC
Audit Committee Report for the financial year 2020	25 January 2021
Internal Control Report for the financial year 2020	23 April 2021
Limited Review of the unaudited financial statements of RHB Bank and RHB Islamic Bank, RHB Investment Bank and RHB Insurance for the financial period ended 30 June 2021	22 July 2021

The BAC further directed the respective MACs to track the audit findings highlighted by the external auditors in their Internal Control Report to ensure timely resolution of all matters by Management.

- c) Met with the external auditors on 25 January 2021 and 22 July 2021 without the presence of Management to enable the external auditors to discuss matters with the BAC privately.
- d) Reviewed the appointment of the external auditors for the provision of non-audit services before recommending them for the Board's approval. Areas that are considered include the external auditors' expertise, adequacy of knowledge and experience required for the services rendered, competitiveness of fees quoted and whether its independence and objectivity would be impaired.

Reviewed on a quarterly basis, the non-audit services rendered by the external auditors and the related fees taking into consideration the fee threshold established under the Group policy to ensure that the external auditors' independence and objectivity were not compromised.

- e) Reviewed the external auditors' performance and independence before recommending them to the Board for reappointment as external auditors for the Group:

- The external auditors have declared in their 2021 audit plan, which was tabled to the BAC in July 2021, that they have maintained their independence for the audit of the financial statements of the Group in accordance with the firm's requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants. They have further declared that the non-audit services provided to the Group during the year have not compromised their independence as external auditors of the Group.
- The annual assessment on the external auditors covering the key areas of performance, independence and objectivity in accordance with the BNM Guidelines on External Auditor.
- The performance of the external auditors was also assessed through a survey completed by the Management personnel of the Group based on their dealings with the external auditors covering areas such as the people, meeting the objectives, responsiveness, knowledge of the business and industry, ideas that add value and communications.
- A comprehensive review was also conducted in December 2021 prior to the reappointment of the external auditors to assess its independence and the potential risk of familiarity threat at all the banking entities within the Group. The comprehensive review covered three main categories, i.e. governance and independence, communication and interaction, and quality of services and resources.

The comprehensive review was conducted by Group Finance and independently verified by GIA prior to tabling to the BAC for deliberation.

GROUP INTEGRITY & GOVERNANCE

- a) Reviewed and deliberated on the proposed establishment of the Information & Complaints Assessment Committee and its Terms of Reference, and the proposed Integrity and Governance Charter and recommended the same for approval by the Board.
- b) Reviewed and endorse the half-yearly report for submission to Malaysian Anti-Corruption Commission on Group Integrity & Governance Unit's core functions.
- c) Reviewed and deliberated on the monthly report from Group Integrity & Governance, particularly in relation to the whistleblowing & non-whistleblowing cases and existing anti-corruption programme, and provided guidance and directions, where necessary.

RELATED PARTY TRANSACTIONS

- a) Reviewed the reports of Related Part Transactions ("RPTs") on a quarterly basis covering the nature and amount of the transactions including any possible Conflict of Interest ("COI") situations in ensuring that the terms and conditions of the transactions are commercially based and at arm's length.
- b) The review covered the aggregate consideration of Recurrent RPTs ("RRPTs") which are individually tracked and monitored against the ceiling set to ensure proper reporting and disclosures in accordance with the regulatory requirements.
- c) The Group has in place an approved policy on RPTs which governs the process of identifying, evaluating, approving, reporting and monitoring of RPTs, RRPTs and potential COI situations as well as outlining the duties and responsibilities of the relevant parties involved in the RPT process.

TRAINING

During the year, the BAC members have attended various training programmes, conferences and seminars to keep abreast of the latest developments within the banking industry as well as to enhance their knowledge for the discharge of their duties and responsibilities.

The detailed information of mandatory and professional development programmes attended by the BAC members are disclosed in Section B of the Corporate Governance Report available at www.rhbgroup.com.



Group Chief Internal Auditor

Alex Tan Aun Aun leads the internal audit function of RHB Banking Group and he reports to the BAC. He has more than 25 years of multifaceted experience in the banking business with more than 10 years' experience in internal auditing. He holds a Bachelor of Commerce (Finance) degree from the University of Toronto and is a professional member of Institute of Internal Auditors Malaysia. GIA provides the Board with independent assurance that the risk management systems, internal controls and governance processes of the Group are effective and that its operations are operating as intended.

INTERNAL AUDIT FUNCTION

RHB Banking Group has an in-house internal audit function, which is guided by its Internal Audit Charter approved by the Board, Bank Negara Malaysia ("BNM") Guidelines on Internal Audit Function of Licensed Institutions and the Institute of Internal Auditors' latest International Professional Practices Framework. GIA's main responsibility, being the third line of defence, is to provide an independent assessment on the adequacy and effectiveness of the Group's risk management, internal control and governance processes implemented by the Management.

The Group CIA reports functionally to the BAC and administratively to the Group Managing Director to maintain GIA's impartiality and objectivity. To further preserve the independence of the internal audit function, the Group CIA's appointment and performance appraisal, as well as GIA's scope of work and resources, are approved by the BAC.

Internal Audit Charter

The Internal Audit Charter ("Audit Charter") defines the purpose, authority and responsibility of the internal audit function and is approved by the Board. The approved Audit Charter is published on the Group's intranet portal, which can be viewed by all employees of the Group.

The Audit Charter is reviewed by the Group CIA every two years or as and when necessary to assess whether the GIA's purpose, authority and responsibility, as defined in the Audit Charter, continue to be adequate and relevant to enable the internal audit function to accomplish its objectives.

Summary of GIA's Activities

The main activities undertaken by GIA during the financial year are summarised as follows:

- a) Prepared the annual risk-based audit plan for RHB Banking Group which includes the audit objectives and scope, and manpower requirements for each planned auditable unit.
- b) Conducted audits as per the approved audit plan as well as ad hoc reviews and investigations requested by Management, the Board or regulators during the year.

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE REPORT

- c) Areas audited during the financial year encompassed all the business and support pillars including Wholesale Banking, Community Banking, Distribution Channels, Shariah Business, Insurance Business, Overseas Operations, IT Security and Operations, Group Support Functions as well as key areas such as Anti-Money Laundering & Counter Financing of Terrorism, market conduct, customer information secrecy and outsourcing.
- d) Carried out ad-hoc compliance and validation reviews as requested by regulators.
- e) Reviewed the adequacy and effectiveness of the Risk Mitigation Plan implemented by Management to address the Composite Risk Rating ("CRR") matters highlighted by BNM in their CRR Report.
- f) Monitored and followed up through the respective MACs on the timely rectification of all reported audit findings and the underlying causes highlighted by the internal and external auditors. The status of any outstanding audit findings including requests with justification for extension of rectification timelines are summarised and reported to the BAC on a monthly basis.
- g) Performed root cause analysis and shared the results with the Management for the appropriate actions to be taken to address the identified issues holistically.
- h) Reviewed new or updated framework, policies and guidelines as requested by Management to provide feedback on the adequacy of internal controls to address the relevant risks.
- i) Participated in new IT system or new product development activities to provide recommendations upfront on the relevant control features to be considered by Management.
- j) Assisted the BAC in the annual review exercise on the reappointment of external auditors by assessing its independence and potential risk of familiarity threat at all the banking entities within the Group.
- k) Attended Management meetings as permanent invitee on a consultative and advisory capacity to provide independent feedback where necessary on internal control related matters.
- l) Organised MAC meetings, prepared meeting materials as well as prepared minutes of meetings and summary of key audit findings for submission to the BAC and the Boards of the respective entities.
- m) Prepared the BAC Report and the Statement on Risk Management and Internal Control for approval by the BAC and the Board respectively, and for inclusion in RHB Bank's Integrated Report for the year 2021.

Internal Audit Resources

The Group CIA, in consultation with the BAC and the Group Managing Director, decides on the appropriate resources required for the GIA

taking into consideration the size and complexity of operations of the Group. The primary organisation chart/structure of GIA is reviewed and approved by the BAC annually.

As at 31 December 2021, GIA has 162 auditors (Malaysia: 143) with relevant academic/professional qualifications and experience to carry out the activities of the internal audit function. Total costs of RM32.5 million (Malaysia: RM27.2 million) was incurred to maintain the internal audit function of the Group for the financial year 2021.

Professional Proficiency

The Group CIA ensures that the internal auditors are suitably qualified and provided with the necessary trainings and continuous professional development for the purpose of enhancing their audit and relevant technical skills to effectively perform their duties and responsibilities.

The internal auditors are further required to pursue the relevant certification programmes such as those offered by the Institute of Internal Auditors ("IIA") and Asian Institute of Chartered Banker in order for them to be proficient and competent in the relevant disciplines.

Based on each staff's Individual Development Plan for the year 2021, the internal auditors attended the relevant technical as well as leadership and management programmes offered by RHB Academy, the Group's Learning and Development Centre, and external programmes.

Internal Audit Quality Assurance Review

To ensure effectiveness of the internal audit function, the Group CIA has developed and maintained a quality assurance and improvement programme that covers all aspects of the internal audit activities. The quality assurance programme assesses the effectiveness of processes within the internal audit function and identifies opportunities for improvement through both internal and external assessments.

The internal assessment is performed according to the approved annual Quality Assurance Review ("QAR") plan by a QAR team within GIA. The Head of QAR function reports directly to the Group CIA to maintain its independence of the internal audit activities within GIA.

In addition to the internal assessment, external quality assessment is conducted once every five years by qualified external assessor. The appointment of independent external assessor is subject to the Group's established procurement process and endorsed by the BAC.

The latest external quality assessment was conducted in 2021 where GIA was assessed to be in conformance with all the applicable rules, standards and requirements stipulated in The IIA's International Standards for the Professional Practice of Internal Auditing, BNM Guidelines on Internal Audit Function of Licensed Institutions, Malaysian Code on Corporate Governance: Principle B – Effective Audit and Risk Management and Bursa Malaysia Listing Requirements – Chapter 15.27 Internal Audit. The results of review were tabled by the independent reviewer to the BAC.

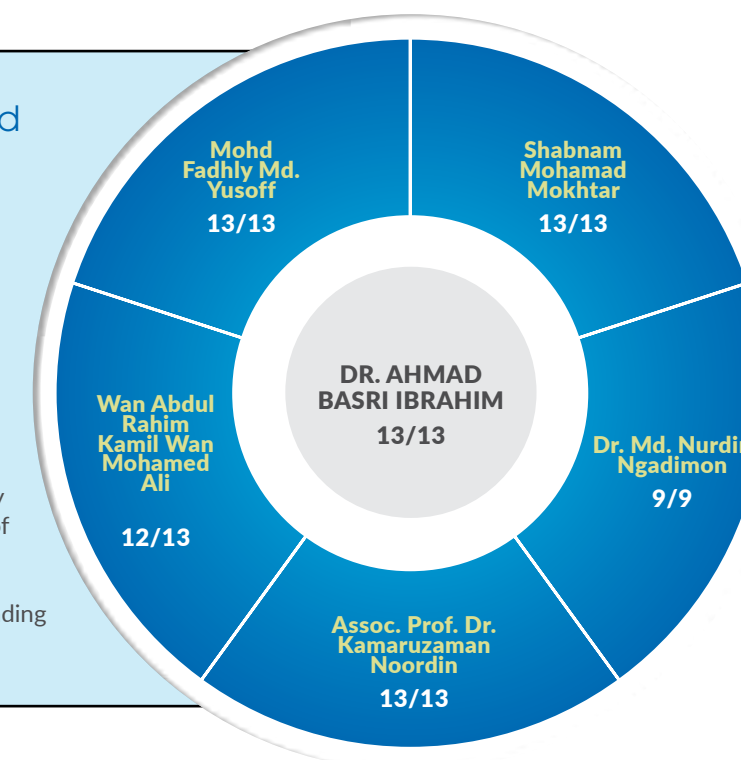
SHARIAH COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

A total of twelve (12) regular meetings and one (1) special meeting were held as at 31 December 2021. All existing members satisfied the minimum attendance requirement under BNM's Shariah Governance Policy Document, which provides that a Shariah Committee member is required to attend at least 75% of the Shariah Committee meetings held in each financial year. Details of the attendance of each member are as follows:

The Shariah Committee was established under RHB Islamic Bank Berhad ("the Bank" or "RHB Islamic") with the following main objectives:

1. To provide objective and sound advice to the Bank to ensure that its aims, operations, business, affairs and activities are Shariah-compliant.
2. To ensure effective working arrangements are established between the Shariah Committee, the Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM") and that of the Securities Commission ("SC").
3. To ensure the establishment of appropriate procedures leading to prompt compliance with Shariah principles.



ENGAGEMENT SESSIONS & TRAININGS ATTENDED

ENGAGEMENT SESSIONS & TRAININGS

As part of the initiatives aimed at maintaining effective communication between the Shariah Committee, the Management and the Board of Directors of RHB Islamic Bank, special in-house training programmes were held as follows:

1. Engagement session between RHB Islamic Bank Board of Directors and Shariah Committee Members held on 5 July 2021 and 8 November 2021.
2. Digital Transformation in Islamic Finance Towards Shariah Compliance by Tan Sri Dr. Mohd. Daud Bin Bakar held on 8 November 2021.

In addition, the Shariah Committee also contributed to the efforts of spreading Shariah knowledge and awareness among RHB Banking

Group staff by sharing insights, expertise and experience through "Shariah Committee Sharing Series" sessions as follows:

1. *Hibah Amanah* by Dr. Ahmad Basri Ibrahim held on 12 March 2021
2. *AI & Fintech Made Easy: Opportunity for Social Finance* by Shabnam Mohamad Mokhtar held on 27 May 2021
3. *Resetting Our Agenda* by Wan Abdul Rahim Kamil Wan Mohamed Ali held on 9 August 2021
4. *Preference Shares: Equity or Debt Instrument* by Dr. Md. Nurdin Ngadimon held on 21 September 2021

Furthermore, one of the Shariah Committee members participated in an online course as follows:

1. Oxford Impact Investing Program, 19 April 2021 to 28 May 2021.

The Shariah Committee members are also enrolled in the Certified Shariah Advisor ("CSA") and Certified Shariah Practitioner ("CSP") programmes organised by the Association of Shariah Advisors in Islamic Finance ("ASAS").

SHARIAH COMMITTEE'S EFFECTIVENESS ASSESSMENT

In compliance with BNM's Shariah Governance Policy Document, the Shariah Committee undergoes a process of assessing the effectiveness of individual members and the Committee as a whole on a yearly basis. The Shariah Committee's annual assessment exercise is primarily based on a detailed questionnaire that is distributed to the respective Committee members and the permanent invitees to the Shariah Committee meetings. The questionnaire encompasses considerations on the effectiveness of the Committee in discharging its duties and responsibilities, and each individual member's level of skill and competency in the areas of expertise expected of a Shariah Committee member.

The results of the assessment are tabled to RHB Islamic's Board of Directors for approval.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

INTEGRITY REPORT

Disclosure on corporate exercises

1. Proposed Disposal by PT RHB Sekuritas Indonesia ('RSI') of Its Entire 99.62% Equity Interest in PT RHB Asset Management Indonesia ('RAMI') ('Proposed Disposal')

On 26 July 2021, RHB Bank announced that RSI, a 99% subsidiary of RHB Investment Bank, had on 23 July 2021, entered into Conditional Share Purchase Agreement ('CSPA') with Allianz Global Investors Asia Pacific Limited ('AllianzGI') and PT Asuransi Allianz Life Indonesia ('Allianz Life Indonesia') in respect of the Proposed Disposal.

RAMI, a company incorporated in Indonesia, is a 99.62% subsidiary of RSI. The remaining 0.38% equity interest is held by Daniel Budiman. The principal activity of RAMI is rendering of investment management services in Indonesia.

The Proposed Disposal will entail the disposal by RSI of its entire 98.62% equity interest and 1.00% equity interest in RAMI to AllianzGI and Allianz Life Indonesia respectively.

The Proposed Disposal is conditional upon of inter-alia, the approval of the Financial Services Authority of Indonesia or Otoritas Jasa Keuangan for the fit and proper test of AllianzGI as the new controlling shareholder of RAMI and the candidate for new member(s) of Board of Commissioners of RAMI as proposed by AllianzGI. The last date to fulfil all the conditions precedent for the Proposed Disposal is 8-months from the date of the CSPA which can be mutually extended.

This exercise is part of RHB Banking Group's strategic plan to reprioritise its overseas businesses to focus on niche markets, leveraging the key strengths of its investment banking team in order to meet its customers' needs. Accordingly, RHB Bank has decided to exit from the asset management business and to focus on its stockbroking and investment banking business in Indonesia.

On 31 January 2022, RHB Bank announced that RSI had completed the Proposed Disposal. With the completion of the Proposed Disposal, RAMI is no longer an indirect subsidiary of RHB Bank.

2. Proposed Cessation of Business of RHB Hong Kong Limited and its subsidiaries.

On 4 December 2019, RHB Hong Kong Limited ('RHBHK') and its subsidiaries namely RHB Securities Hong Kong Limited, RHB Futures Hong Kong Limited, RHB Finance Hong Kong Limited, RHB Capital Hong Kong Limited, RHB Asset Management Limited, RHB Fundamental Capital Hong Kong Limited, RHB Wealth Management Hong Kong Limited and RHB (China) Investment Advisory Co Ltd decided to cease their business operations ('Cessation').

Pursuant to the Cessation, RHBHK and its subsidiaries have discontinued offering financial services to its existing and potential clients.

As at 15 February 2022, the following activities have been/will be carried out by the subsidiaries of RHBHK:

No.	Activities	Subsidiaries of RHBHK
1	In the process of winding up	RHB Securities Hong Kong Limited RHB Futures Hong Kong Limited
2	Has been dissolved upon its deregistration as a legal entity	<u>18 Apr 2019</u> RHB Fundamental Capital Hong Kong Limited <u>On 17 June 2020</u> RHB (China) Investment Advisory Co Ltd <u>On 17 March 2021</u> RHB Finance Hong Kong Limited <u>On 15 October 2021</u> RHB Asset Management Hong Kong Limited RHB Capital Hong Kong Limited
3	In the process of winding up	RHB Wealth Management Hong Kong Limited by 4 January 2022.

3. Disposal of RHB International Trust (L) Ltd ("RHBIT")

On 12 March 2021, RHB Bank announced that RHB Bank (L) ("RHBBL") Ltd, a wholly-owned subsidiary of RHB Bank, had on 11 March 2021 completed the disposal of its entire equity interest in its wholly-owned subsidiary, RHBIT to Pacific Trustees Berhad for a cash consideration of approximately USD173,490. With the completion of the disposal, RHBIT has ceased to be a wholly-owned subsidiary of RHBBL.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (“Statement”) is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The Statement has been prepared in accordance with the guidelines as set out in the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” endorsed by Bursa Malaysia.

The Statement outlines the key features of the risk management and internal control system of RHB Banking Group (“the Group”) during the year under review.

BOARD RESPONSIBILITY

The Board is committed to its overall responsibility in establishing a sound risk management and internal control system in the Group. The Board’s responsibility includes reviewing the adequacy and effectiveness of the risk management and internal control system in safeguarding shareholders’ interest and the Group’s assets. While total elimination of risks is not possible, the system has been designed to manage the Group’s risk appetite within the established risk tolerance set by the Board and Management to support the achievement of the Group’s business objectives. The system can therefore only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

In acknowledging that having a sound risk management and internal control system is imperative, the Board established a governance structure that ensures effective oversight of risks and internal controls in the Group at all levels. To this end, the Board is assisted by the Board Risk Committee (“BRC”) and Board Audit Committee (“BAC”) which have been delegated with primary oversight responsibilities on the Group’s risk management and internal control system. The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of the delegated oversight responsibilities.

The Board has also obtained assurance from the Officer-in-charge/Principal Officer and the Group Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively.

MANAGEMENT RESPONSIBILITY

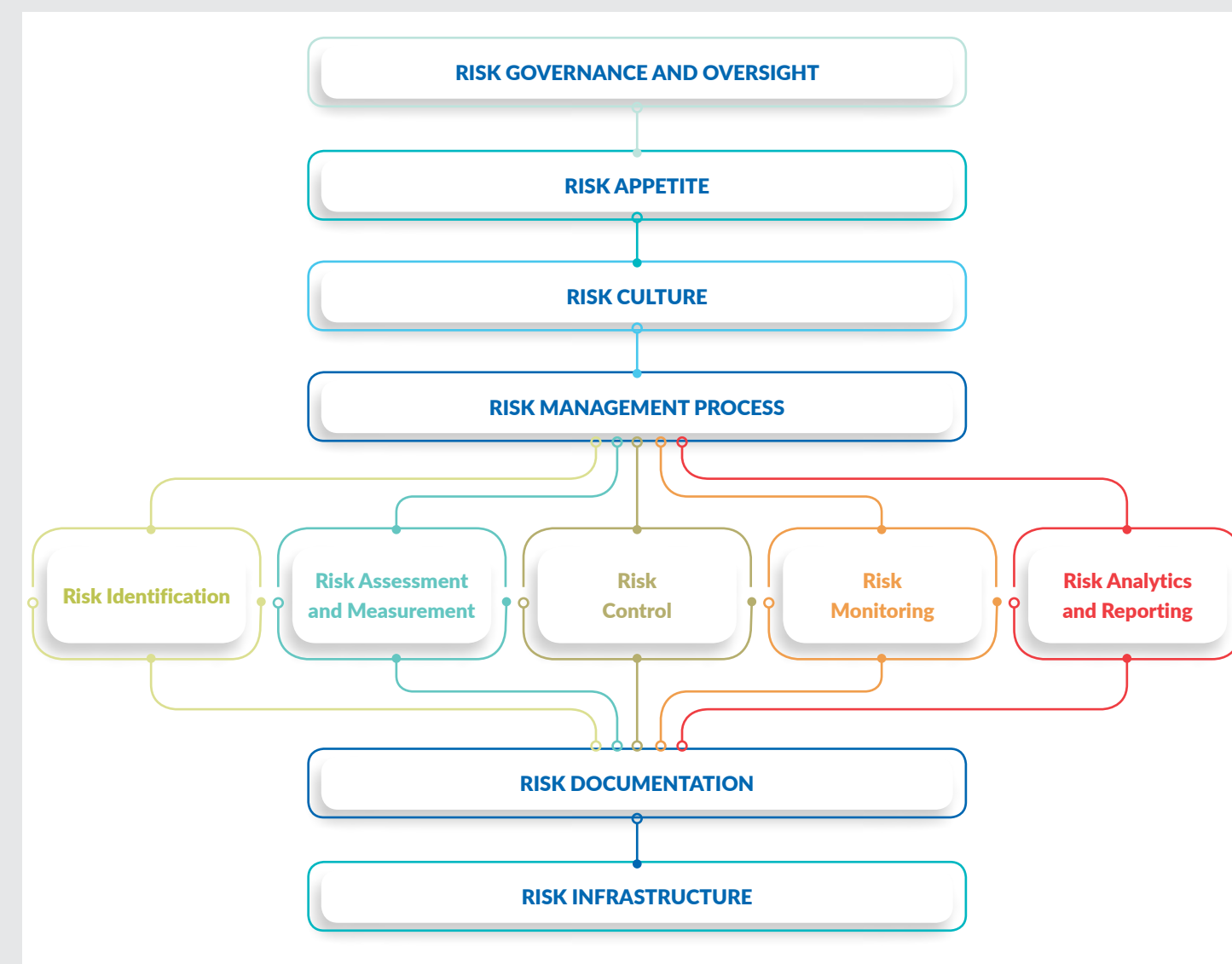
The Management is responsible for the overall implementation of the Group’s policies and processes to identify, evaluate, measure, monitor and report on risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required. Its roles include:

- Identifying and evaluating the risks relevant to the Group’s business and achievement of its business objectives and strategies;
- Designing and implementing the risk management framework in accordance with the Group’s strategies and risk appetite, and monitoring its effectiveness; and
- Reporting in a timely manner to the Board on any changes to the risks or emerging risks and the appropriate actions taken.

Accordingly, the Management has provided assurance to the Board that the Group’s risk management and internal control system is operating adequately and effectively with the necessary processes having been implemented.

RISK MANAGEMENT FRAMEWORK

The Group has put in place a risk management framework approved by the Board for identifying, assessing and measuring, controlling, monitoring and reporting of significant risks faced by the Group in the achievement of the Group’s business objectives and strategies. The Group’s risk management framework ensures that there is an effective on-going process to identify, evaluate and manage risk across the Group and is represented in the following diagram:



Risk Governance and Oversight

The Board of Directors sits at the apex of the risk governance structure and is ultimately responsible for the Group’s/respective entities’ risk management strategy, appetite, framework and oversight of risk management activities.

In order to manage the businesses and risks across all subsidiaries in an integrated basis, Group level committees are established to ensure consistency in practices. However, the Group maintains entity-specific committees to allow for greater flexibility and agility in managing specific regulatory and business requirements. Each Board Risk Committee which reports directly to the respective Boards provides oversight and assists the respective Boards to review the Group’s overall risk management philosophy, frameworks, policies and models, and risk issues relevant and unique to its business.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Group Capital and Risk Committee comprising senior management of the Group and which reports to the relevant board committees and the Group Management Committee. The Investment Bank Risk Management Committee is responsible for oversight of risk management matters relating to RHB Investment Bank Group’s business while the Group Asset and Liability Committee (“Group ALCO”) oversees market risk, liquidity risk and balance sheet management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Appetite

Risk appetite for the Group is defined as the amount and the type of risks that the Group is willing to accept in pursuit of its strategic and business objectives. Risk tolerance on the other hand, is the acceptable level of variation relative to the achievement of the Group's strategic and business objectives. It is measured in the same units as the related objectives. It translates risk appetite into operational metrics, and it can be defined at any level of the Group.

The defined risk appetite and risk tolerance are periodically reviewed by the Management and the Board in line with the Group's business strategies and operating environment. Such review includes identifying and setting new risk appetite metrics for the business entity or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Group's business strategy and risk posture.

The main business and operations inherent risks that were considered in the risk appetite review include regulatory compliance risk, credit risk, market and liquidity risk, operational risk, technology and cyber risk, and Shariah non-compliance risk.

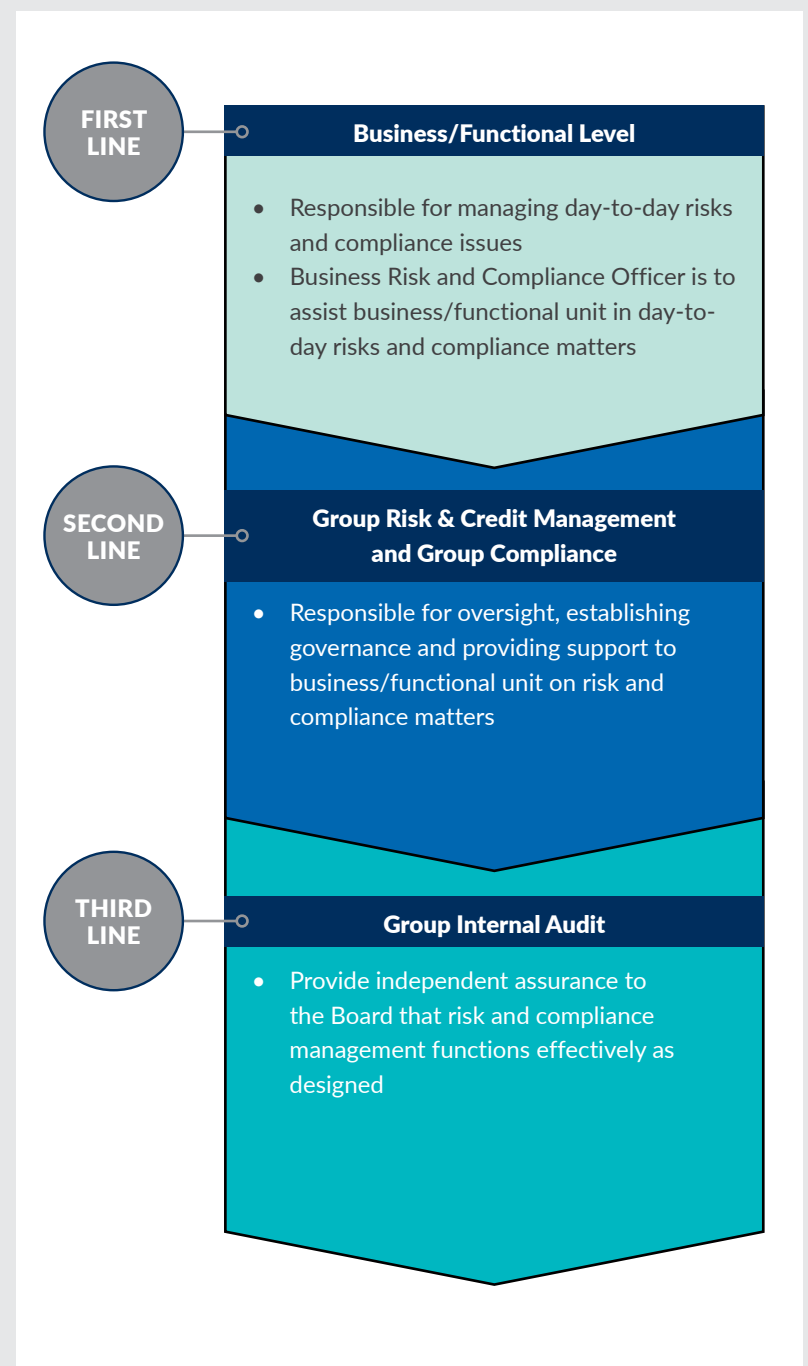
Risk Culture

Risk management is integral to all aspects of the Group's business and operations and is the responsibility of all employees across the Group. In line with regulatory requirements and industry best practices, the Group subscribes to the principle that "Risk and Compliance is Everyone's Responsibility" and hence, risk management is a core responsibility of the respective businesses and operating units. This has been articulated and documented in the Group Risk Management Framework.

Guided by the said principle, the Group has implemented on-going Risk Culture and Awareness programme which comprises training and awareness campaigns, throughout the Group (including overseas branches and subsidiaries) to promote a healthy risk culture. A strong risk culture minimises the Group's exposure to financial and non-financial risks including reputational impact, over time.

In addition, the Group has implemented the Business Risk & Compliance Officer ("BRCO") programme that aims to cultivate proactive risk and compliance management and to establish a robust risk culture. The BRCO programme entails the appointment of BRCO at the respective business and functional units who acts as key liaison on all risk and compliance matters.

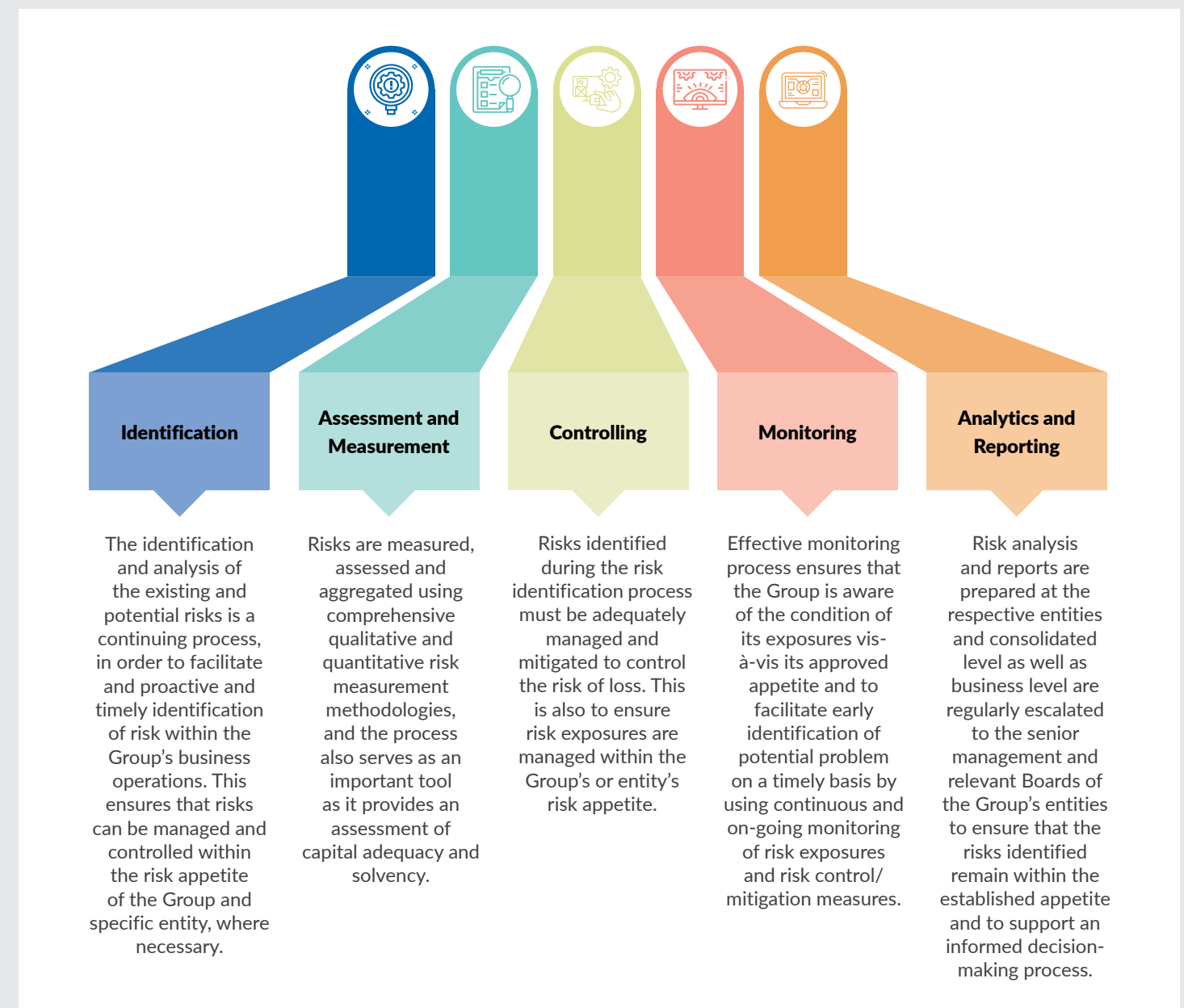
The implementation of the BRCO programme is in line with the 'Three Lines of Defence' model practised globally. There is clear accountability of risk ownership across the Group. The model is depicted in the diagram below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Process

The risk management process identifies, assesses and measures, controls, monitors and reports/analyses risk. This ensures that risk exposures are adequately managed and that the expected return compensates for the risk taken.



In addition, risk management seeks to ensure that risk decisions are consistent with strategic business objectives and within the risk appetite.

Risk Documentation

The Group recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation and infrastructure. Towards this end, the Group has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are implemented consistently across the Group.

Risk Infrastructure

The Group has organised its resources and talents into dedicated risk management functions, and invested into the technology, including data management, to support the Group's risk management activities.

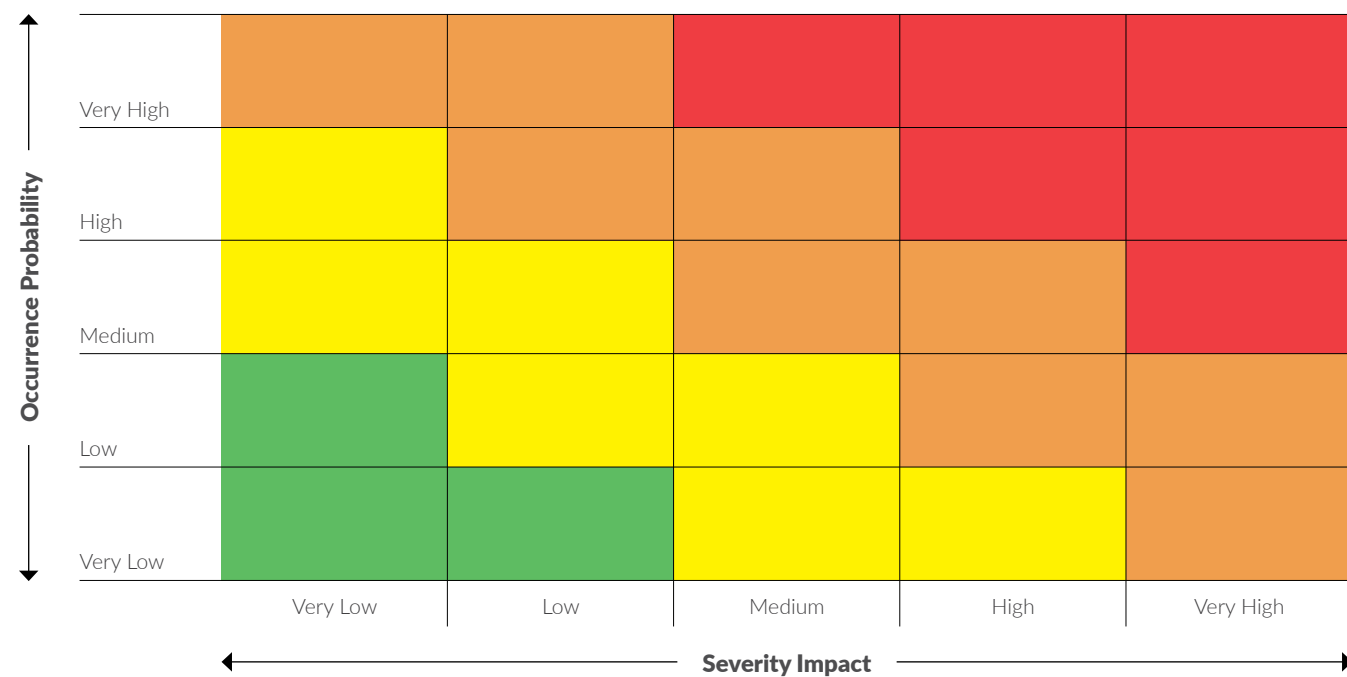


STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Assessment

The Group has an established and comprehensive process for risk identification at every stage of the risk taking activities, namely transactional, product and even at the respective entities and Group level. Risks are also identified through Operational Risk Loss Event reporting and Portfolio thematic analysis. As part of the Group's periodic material risk assessment, the Group reviews the types and components of material risks, determines its quantum of materiality and refinement of processes taking into consideration the feedback received, including the independent reviews.

Material risk assessment is measured from the dimension of occurrence probability and severity impact. In addition, risk assessment also considers among others, the effectiveness of controls in place, and the impact to financial and non-financial indicators such as reputational risk. These are translated into a heat map matrix to derive the materiality of the risk as shown in the table below.



Quadrant	Revised Description
■ Material	These are the risk events that would have higher chance of occurring and if occur, it has severe impact on banks financially and/or non-financially and would impact the Bank almost immediately.
■ Significant	These are the tail risk events – low frequency but with relatively high impact/high velocity or high frequency but with low impact/low velocity .
■ Moderate	These are the normal risk events that do not happen very often and if occur, it has no severe impact on banks or would not impact the Bank immediately. These are to be recognized and managed as day-to-day business operations
■ Insignificant and Immaterial	These are the risk events that do not happen often , do not have severe impact on banks and would only impact the Bank after one year (or a month for technology risk related events). These are to be recognised and managed as day-to-day business operations

The use of the above matrix is a simple mechanism to increase visibility of risks and assist in decision-making. The Group considers residual risks which fall within the Red zones are 'Material', which may have severe impact on the Group financially and/or non-financially. Significant efforts will be taken to manage and mitigate these risks events.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY INTERNAL CONTROL PROCESSES

The Group's system of internal control is designed to manage and reduce risks that will hinder the Group from achieving its goals and objectives. It encompasses the policies, procedures, processes, organisational structures and other control aspects that are implemented for assuring the achievement of the Group's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and internal policies.

The key processes established by the Board that provide effective governance and oversight of internal control systems include:

Control Environment and Control Activities

Organisation Structure

The Group has a formal organisational structure with clearly defined lines of accountability and responsibility, authority limits and reporting. The organisational structure provides the basic framework in ensuring that the Group's business and operations operate smoothly as well as depicting the span of control in ensuring effective supervision of day-to-day business conduct and accountability.

Sustainability Management

The Board of Directors has oversight of the Group's sustainability practices towards ensuring appropriate Environmental, Social and Governance ("ESG") factors are embedded within the Group's business strategies, operations as well risk management process. In carrying out the said responsibility, the Board is also responsible to ensure that the Group's Sustainability practices are aligned with the Group's long term strategic direction.

The Group Sustainability Framework sets out its approach in managing material matters, mitigating negative impacts and contributing towards sustainable development. The Framework consists 3 thematic sustainability pillars, i.e. Sustainable and Responsible Banking, Embedding Good Practices and Enriching and Empowering Communities. Within each pillar, the Group has identified key focus areas that are important to the business and operations as well as to its stakeholders.

In July 2021, the Group Sustainability Committee ("GSC") was established at senior management level. The GSC, led by the Group Managing Director / Group CEO strategically drives the Group's sustainability and climate agenda, and reports to the Board.

To support the GSC, four Sustainability Councils were established comprising key senior leaders from the Strategic Business Groups and Strategic Functional Groups, to ensure successful implementation of the Group's sustainability and climate-related matters. The four Sustainability Councils are the Sustainable Banking Council, ESG Capital Markets and Advisory Council, Sustainable Insurance Council, and Responsible and Sustainable Practices Council. In driving the Group's key focus areas, a network of Sustainability Sponsors and Champions comprising senior leaders has also been identified to lead and embed sustainability practices in their respective business and functional areas.

Please refer to our Sustainability Report 2021 for more details on our Group Sustainability Framework, sustainability governance and initiatives.

Policies and Guidelines

Policies, guidelines and processes governing the Group's businesses and operations are documented and communicated Group-wide as well as made available to employees through the Group's intranet portal for ease of reference and compliance. These policies, guidelines and processes are reviewed and updated by the business and functional units through a structured review and approval process to cater to changes in laws and regulations as well as changes to the business and operational environment.

Authority Limits

The Board has approved the Group Manual of Authority ("MOA") which defines the approving authority with its approving limits for the various levels of Management in the Group. Accordingly, the Management is empowered to discharge their responsibilities and be accountable for their decisions and actions. The Group MOA is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

Information Technology ("IT") Security

The Group regards IT security as a very high priority to ensure the confidentiality, integrity and availability of the Group's information assets and IT infrastructure.

IT security in the Group is achieved through the implementation of a risk based control approach covering people, process and technology. IT Security policies, standards, guidelines and procedures are well established and supported by proper organisational structures with competent resources. Defence in depth strategy is used where multiple layers of IT Security controls are enforced throughout the IT infrastructure and system. But equally important to the technology and process controls is the continuous programme to raise the level of security awareness of staff of all levels, Board members as well as third party technology service providers.

With the increasing number of cyber threats globally as well as locally, the Group has established a Cyber Incident Response Guideline to ensure that there is a structured process of prompt monitoring and timely response to cyber threats and incidents.

In order to strengthen and enhance the level of information security management, the Group has obtained certifications of ISO/IEC27001:2013 - Information Security Management System and ISO/IEC 20000:2011 - Information Technology Service Management, in addition to complying with various regulatory requirements on managing information technology risk holistically.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Control Environment and Control Activities

In addition, the rapid adoption of digitisation has led to increased risks to traditional on-premises computing system. To address this emerging risk, the Group has adopted a multi-pronged approach:

- Gradual deployment of digital solutions with increased investment in security infrastructure and the hiring of support personnel with skillset covering digital fraud and cloud security.
- Establishing proper governance in the management of digital deployment including independent third party security reviews and introduction of policies to strengthen the security controls covering the overall digitisation initiative.
- Continuous assessment of Third Party's cyber security posture and subscription of threat intelligence service for better visibility of the current cyber landscape.
- Enforcement of secure coding practices that applies security considerations to how software will be coded and encrypted to best defend against cyber-attack or vulnerabilities.

Budgeting Process

A robust budgeting process is established requiring all key operating entities in the Group to prepare budgets and business plans annually for approval by the respective Boards. The Group's budget and business plans as well as strategic initiatives, taking into account the established risk appetite, goes through a challenged session with Management prior to deliberation at the Board where the Group budget is presented.

Human Capital Management

One of the key constituents of any internal control system is its people and that our system of risk management and internal control is dependent on the responsibility, integrity and sound judgement that employees apply to their work. Hence, the Group has in place policies and procedures that govern recruitment, appointment, performance management and rewards as well as matters relating to discipline, termination and dismissal.

For sustainable growth, the Group places emphasis on human capital development, talent management and succession planning. To enhance employee competencies, structured and technical trainings as well as management and leadership workshops are provided to them based on their identified needs during the annual performance assessment. For talent management, initiatives such as Leadership Development Programme, Individual Development Plan and mentoring are implemented to develop identified talents in the Group to facilitate the continuous supply of high potentials and suitable successors for future leadership roles.

Group Code of Ethics and Conduct

The Group Code of Ethics and Conduct ("the Code") is established to ensure a high standard of ethical and professional conduct is upheld by all employees in performing their duties and responsibilities. It is a requirement that all employees of the Group understand and observe the Code. New recruits are briefed on the Code and are required to sign the Employee Declaration of Compliance Form upon joining the Group.

The Group has also established the Gifts and Hospitality Guideline to promote integrity and transparency for giving and receiving gifts. The Guideline complements the Code and are designed to help the Group and its employees understand the respective parties' obligations in upholding corporate integrity and transparency about gifting.

Group Anti-Bribery and Corruption Policy

The Group has zero tolerance on bribery and corruption in line with its core shared values and the Group Code of Ethics and Conduct for employees. The Group is committed to conducting its business in accordance with all applicable laws and regulations, and the Malaysian Anti-Corruption Commission Act 2009. The Group Anti-Bribery and Corruption Policy set out the guiding principles to support the Group's business operations and assist the employees in upholding corporate integrity and the Group's reputation.

Group Anti-Money Laundering and Counter Financing of Terrorism Policy

The Group Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy ("Group AML/CFT Policy") is drawn up in accordance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and Bank Negara Malaysia's ("BNM") standards on AML/CFT. It sets out the high level standards towards building a stronger and robust AML/CFT compliance regime within the Group, facilitates consistency in managing the AML/CFT compliance risk across the local and regional entities within the Group, and sets out the Group's policy statements in respect of the general principles and key measures to which the Group adheres to.

Pursuant to the Group AML/CFT Policy, the entities and/or employees within the Group are required to adopt Risk Based Approach ("RBA") to customer acceptance and implement the AML/CFT Compliance Programme framework. This includes customer due diligence ("CDD") requirements, monitoring of customer activities/transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of customer information, and enforcement actions for non-compliance to the requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Control Environment and Control Activities

The Group AML/CFT Policy also outlines the roles and responsibilities as well as establishes clear accountability of the Board, Senior Management and all employees within the Group.

The Board has an oversight responsibility for establishing the AML/CFT policies/guidelines and minimum standards while the Senior Management is accountable for the implementation and management of AML/CFT compliance programmes in accordance with the policies and guidelines as approved by the Board.

Business Continuity Management

The Group recognises and is fully committed to the need to provide uninterrupted critical services to its customers, ensure the safety of its employees, protect its assets including data, and safeguard the interest of its key stakeholders that collectively ensure the viability of the organisation. Hence, the Group is aware of the importance of a sound Business Continuity Management ("BCM") Framework and Programme to build organisational resilience and an effective response and recovery mechanism to safeguard the interest of key stakeholders, reputation and brand. The Group's BCM Programme is based on good business continuity practices, BNM and other regulatory guidelines and international standards.

The Board has an oversight function on the Group's BCM readiness through the BRC and GCRC. The Group Business Continuity Committee is the management committee established to oversee the Group's business continuity framework, policies, budget and plans, and reports to GCRC.

A sound BCM Programme has been implemented in the Group to ensure the critical business functions are recovered in a timely manner in the event of any disruption. Reviews, assessments, updates and testing of the BCM plans are conducted regularly to ensure adequacy, effectiveness and readiness of the business recoveries. Simulation exercises and drills are conducted to familiarise and equip staff with the skills and processes required to ensure that in the event of any disruption, critical business processes can continue or be recovered in a timely manner.

Group Fraud Risk Management Policy

The Group Fraud Risk Management Policy is designed to promote consistent organisational behaviour through the development, implementation, and regular review of fraud prevention, detection and response strategies. The Policy defines the core governing principles for fraud risk management within the Group which include leadership and ethical culture, fraud awareness and prevention, fraud control and detection, fraud reporting and escalation as well as fraud response with appropriate corrective actions. The policy also outlines the roles and responsibilities of the Board, Senior Management and respective stakeholders within the Group on fraud risk management.

2021 was proven to be another challenging year due to the COVID-19 pandemic outbreak. The Management has taken proactive and precautionary measures to mitigate and manage the outbreak and risk of infection while ensuring continuous provision of essential services. The Group has activated its Business Continuity Plan ("BCP") pandemic strategy for all business functions across the Group which includes split operations and Work-From-Home arrangements, utilisation of digital platform for any meetings and provided constant advisory and updates on the COVID-19 Standard Operating Procedures ("SOP") for all RHB staff.

Moving in tandem with COVID-19 coordination are some new initiatives to enhance the BCM programme. The Group has enhanced the crisis management processes with a view of expediting the crisis response and minimising the impact to ensure the resiliency of our operations. The Group has expanded the scope of BCP/Disaster Recovery Plan ("DRP") test activities of RHB Banking Group to prepare for all scenarios. The Group has also conducted assessment on managing and responding to COVID-19 outbreak and incorporated lessons learned to enhance the control measures arising from the new norm and the operational resiliency within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Information and Communication

Performance Review

Regular and comprehensive information is provided by Management to monitor its performance against the strategic business plan and the annual budget approved by the Board. This information covers all key financial and operational indicators as well as key strategic initiatives undertaken by the Group during the year.

The Board and the Group Management Committee ("GMC") receive and review financial reports on the Group's monthly and quarterly financial performance against approved targets and the reasons for any significant variances as well as measures that are being put in place to meet such targets.

The heads of the core businesses and functions in the Group present their respective management reports to the GMC at its monthly meeting, covering areas such as financial performance, key activity results and new business proposal or process for information of and deliberation by the GMC.

Group Whistleblowing Policy

A Group Whistleblowing Policy ("GWBP") was established by the Group in 2007 and last updated in 2021. The GWBP provides proper mechanism and sets a minimum standard to be adhered by the Group in dealing with disclosure of questionable actions or wrong doings by personnel within the Group. The updated GWBP introduced a primary designated whistleblowing channel, namely speakup@rhbgroup.com in addition to the existing Senior Independent Non-Executive Director. Details of the GWBP can be found under Practice 3.2 of the RHB Bank Berhad's Corporate Governance ("CG") Report, available at www.rhbgroup.com

Incident Management Reporting

To complement the Group's internal control monitoring, a comprehensive incident management reporting guideline has been implemented to ensure proper escalation and management of incidents according to the level of severity. The established incident management reporting process ensures that all incidents with material risk and losses are escalated promptly within the escalation timeline to Senior Management and the Board with necessary steps taken to mitigate any potential risks that may arise. Periodic monitoring and updating on the progress of the incidents until resolution enables the decision makers to undertake informed decision-making and be kept up to date on situations as well as manage risks effectively.

Monitoring

Board Committees

The Board has in place, Board Committees that are set up to support the Board in its oversight function. The Board Committees include the BRC, BAC, Board Nominating & Remuneration Committee, Board Credit Committee, Investment Bank Board Risk Committee ("IBBRC"), Islamic Board Risk Committee ("BRC-i) and Insurance Board Risk Committee ("Insurance BRC"). These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective Terms of Reference ("ToR"). Detailed responsibilities of these Board Committees can be found under RHB Bank Berhad's CG Report, Board Charter and their respective ToRs available at www.rhbgroup.com

Group Management Committee

The GMC comprises the Group Managing Director as the Chairman, the Chief Executive Officers/Managing Directors of the relevant key operating subsidiaries and the key Senior Management of the Group. The GMC provides the leadership and direction in the implementation of strategies and policies approved by the Board and meets monthly to discuss and deliberate strategic matters that impact the Group's operations.

Management Audit Committees

Management Audit Committees ("MACs") are established at the key operating entities in the Group to ensure timely rectification of any audit findings and the underlying causes highlighted by the internal and external auditors, and regulators. The status of rectification of all audit findings and the mitigation action plans implemented by Management to adequately address the underlying causes are closely monitored by the MACs at every meeting.

The MACs comprising senior level representatives from different business/functional groups are chaired by the Group Chief Financial Officer/Managing Director of the entity concerned. The MACs meet monthly/bi-monthly and the minutes of meetings together with the relevant audit reports are subsequently tabled to the BAC for information, deliberation and direction for further action where required.

Group Compliance

Compliance is the collective responsibility of the Board, Senior Management and every employee of the Group. The compliance function forms an integral part of the Group's risk management and internal control framework. In view that a strong compliance culture reflects a corporate culture of high integrity and ethics, everyone is expected to promote self-regulation and be accountable for their own activities while maintaining ethical principles and behaviour.

Monitoring

In addition to day-to-day monitoring, Group Compliance's commitment towards instilling a strong compliance culture across the Group is demonstrated through the establishment of a robust compliance monitoring framework which includes, among others, implementation of comprehensive compliance policies, frequent compliance reviews, regular engagement sessions with business/functional units and branches, annual compliance risk assessment to identify high risk areas and conduct of regular training/awareness sessions across the Group to ensure that all employees are well informed of the latest regulatory requirements and expectations.

Further, the Boards and Senior Management are also apprised of the Group's state of compliance through the submission of the Group Compliance report on a periodic basis.

INTERNAL AUDIT

Group Internal Audit ("GIA") is established by the Board to provide an independent appraisal on the adequacy and effectiveness of the Group's risk management, internal control and governance processes implemented by the Management.

The internal audit universe covers all key activities of the Group, including that of its branches, all the business and support functions, overseas operations, subsidiaries as well as outsourced activities. GIA adopts a risk-based approach in determining the auditable units and frequency of audits in line with the Group's key risks, strategies and areas of focus, which are identified based on GIA's risk assessment methodology.

The risk-based internal audit plan is approved by the BAC annually. Audit reports detailing the audit findings, root causes and impact, GIA's comments and recommendations, and Management's response are tabled to MACs and BAC on a monthly basis. In addition, Shariah Audit reports are also tabled to Shariah Committee for notification and deliberation.

GIA is headed by the Group Chief Internal Auditor who reports functionally to the BAC and administratively to the Group Managing Director to ensure GIA's independence from Management.

Further information on the GIA function is provided in the Board Audit Committee Report of this Integrated Report.

Shariah Compliance

In line with the Shariah Governance Policy Document issued by BNM, a comprehensive Shariah Governance Framework has also been put in place by the Group which encompasses the Group's Shariah governance structure, the key principles Shariah governance and control functions, the reporting structure as well as its roles and responsibilities.

Various activities and initiatives involving Shariah reviews, assessment, trainings and briefings and the staff implication of non-compliance review findings aimed to further strengthen the Bank's compliance culture and Shariah compliance awareness as well as continuous learning programmes were conducted throughout the year to educate employees on the importance of Shariah requirements and compliance surveillance.

CONCLUSION

The Board, through the BAC, BRC, IBBRC, BRC-i and Insurance BRC confirms that it has reviewed the adequacy and effectiveness of the Group's risk management and internal control system.

Based on the monthly updates from its Board Committees and the assurance received from the Management, the Board is of the view that the Group's risk management and internal control system is operating adequately and effectively for the financial year under review and up to the date of approval of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

ANALYSIS OF SHAREHOLDINGS

as at 15 February 2022

Number of Issued Shares : 4,142,918,508 ordinary shares
 Class of Shares : Ordinary shares
 Voting Rights : Each shareholder present in person or by proxy at any Shareholders' Meeting shall have one vote for each ordinary share held
 Number of Shareholders : 20,972

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100 shares	2,074	9.89	47,747	0.00
100 – 1,000 shares	4,102	19.56	2,319,739	0.06
1,001 – 10,000 shares	11,317	53.96	39,050,604	0.94
10,001 – 100,000 shares	2,577	12.29	73,505,783	1.77
100,001 to less than 5% of the issued shares	900	4.29	2,031,339,575	49.03
5% and above of the issued shares	2	0.01	1,996,655,060	48.19
Total	20,972	100.00	4,142,918,508	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares			
		Direct	%	Indirect	%
1.	Employees Provident Fund Board ("EPF") ¹	1,745,926,021	42.14	-	-
2.	OSK Holdings Berhad	421,715,757	10.18	-	-
3.	Kumpulan Wang Persaraan (Diperbadankan)	200,782,810	4.85	41,918,205	1.01
4.	Tan Sri Ong Leong Huat @ Wong Joo Hwa ²	-	-	421,715,757	10.18
5.	OSK Equity Holdings Sdn Bhd ²	-	-	421,715,757	10.18
6.	Puan Sri Khor Chai Moi	31,144	*	421,715,757 ²	10.18

Notes:

* Negligible percentage.

¹ The interest of EPF is held through various fund managers.

² Deemed interested pursuant to Section 8(4) of the Companies Act 2016, by virtue of shares held through OSK Holdings Berhad.

DIRECTORS' INTEREST IN SECURITIES OF THE COMPANY AND ITS RELATED CORPORATION

The Company	Shareholdings	
	No. of Shares Held	%
Tan Sri Ong Leong Huat @ Wong Joo Hwa		
- Indirect ¹	421,748,335	10.18
Ong Ai Lin		
- Direct	27,410	*

Notes:

* Negligible percentage.

¹ Deemed interested pursuant to Sections 8(4) and 59 of the Companies Act 2016, by virtue of shares held through OSK Holdings Berhad and his family members.

CLASSIFICATION OF SHAREHOLDERS

as at 15 February 2022

Category	No. of Shareholders		Shareholdings		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Individual						
Bumiputera	578	0	3,220,851	0	0.08	0.00
Chinese	14,436	0	80,310,066	0	1.94	0.00
Indian	545	0	1,951,692	0	0.05	0.00
Others	71	437	918,247	5,269,727	0.02	0.13
Body Corporate						
Banks/Finance Companies	45	0	585,958,237	0	14.14	0.00
Investments Trusts/ Foundation/Charities	8	0	418,320	0	0.01	0.00
Other Types of Companies	329	17	304,103,837	28,637,704	7.34	0.69
Government Agencies/ Institutions						
	2	0	6,089,090	0	0.15	0.00
Nominees						
	3,395	1,109	2,408,908,886	717,131,851	58.15	17.31
Others						
	0	0	0	0	0.00	0.00
Total	19,409	1,563	3,391,879,286	751,039,282	81.87	18.13

CHANGES IN SHARE CAPITAL

as at 15 February 2022

The number of issued shares of the Company as at 15 February 2022 is 4,142,918,508 ordinary shares.

The changes on the number of issued shares since 1999 are as follows:-

Date	No. of Shares Allotted	Description	Cumulative No. of Issued Shares	
			Preference Shares	Ordinary Shares
03/06/1999	308,500,000 (preference shares)	Issued pursuant to Sale of Shares Agreement between RHB Bank Berhad ("RHB Bank"), Rashid Hussain Berhad (as promoter), Sime Darby Financial Services Holdings Sdn Bhd and KUB Malaysia Berhad for the acquisition of 90.36% equity interest in Sime Bank Berhad.	308,500,000	3,899,971,952
03/06/1999	1,000,000,000 (preference shares)	Issued pursuant to Subscription Agreement dated 30 November 1998 between Danamodal Nasional Berhad, RHB Capital Berhad ("RHB Capital") and RHB Bank.	1,308,500,000	3,899,971,952
01/09/1999	4,469,561 (preference shares)	Issued pursuant to the compulsory acquisition of the remaining 9.64% equity interest in Sime Bank Berhad.	1,312,969,561	3,899,971,952
23/09/1999	55,129,584 (preference shares)	Issued pursuant to the compulsory acquisition of the remaining 9.64% equity interest in Sime Bank Berhad.	1,368,099,145	3,899,971,952
27/03/2008	2,736,198,290 (ordinary shares of RM0.50 each)	Issued pursuant to the Conversion Notice received by RHB Bank in respect of the Irredeemable Non-Cumulative Convertible Preference Shares ("INCPS") holder, RHB Capital's intention to convert its entire 1,368,099,145 INCPS of RM1.00 each into new ordinary shares of RM0.50 each in RHB Bank.	-	6,636,170,242
31/10/2014	94,802,428 (ordinary shares of RM0.50 each)	Issued pursuant to Rights Issue on the basis of 1 new ordinary share for every 70 existing ordinary shares held.	-	6,730,972,670
03/04/2015	190,197,391 (ordinary shares of RM0.50 each)	Issued pursuant to Rights Issue on the basis of 28.26 new ordinary shares for every 1,000 existing ordinary shares held.	-	6,921,170,061
18/02/2016	Not applicable	Consolidation of every 2 existing ordinary shares of RM0.50 each into 1 new ordinary share of RM1.00 each.	-	3,460,585,030
07/04/2016	101,618,705 (ordinary shares of RM1.00 each)	Issued pursuant to Rights Issue on the basis of 29.3646 new ordinary shares for every 1,000 existing ordinary shares held.	-	3,562,203,735
14/04/2016	447,841,886 (ordinary shares of RM1.00 each)	Cash.	-	4,010,045,621
08/07/2021	58,314,499 (ordinary shares of RM4.61 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Final Dividend in respect of financial year ended 31 December 2020.	-	4,068,360,120
03/11/2021	74,558,388 (ordinary shares of RM4.69 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Interim Dividend in respect of financial year ended 31 December 2021.	-	4,142,918,508

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

as at 15 February 2022

No.	Name	Shareholdings	
		No. of Shares	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,745,926,021	42.14
2	OSK HOLDINGS BERHAD	250,729,039	6.05
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	200,782,810	4.85
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	196,281,768	4.74
5	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD FOR OSK HOLDINGS BERHAD	131,525,465	3.17
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	107,077,107	2.58
7	PERMODALAN NASIONAL BERHAD	64,657,895	1.56
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	63,452,190	1.53
9	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	42,188,517	1.02
10	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	36,886,760	0.89
11	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	31,458,260	0.76
12	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGE BANK (FI 17)	29,037,392	0.70
13	RHB NOMINEES (TEMPATAN) SDN BHD MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR OSK HOLDINGS BHD (OSK I CM T1)	25,719,323	0.62
14	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	21,680,000	0.52
15	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	20,809,869	0.50
16	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	20,136,222	0.49
17	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	19,118,366	0.46
18	GUOLINE (SINGAPORE) PTE LTD	18,492,000	0.45

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

as at 15 February 2022

No.	Name	Shareholdings	
		No. of Shares	%
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	17,343,752	0.42
20	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	17,262,200	0.42
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	13,791,885	0.33
22	RHB NOMINEES (TEMPATAN) SDN BHD MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR OSK HOLDINGS BHD (OSK I CM MTN T2)	13,741,930	0.33
23	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	13,195,367	0.32
24	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	12,998,400	0.31
25	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	12,663,300	0.31
26	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	12,416,850	0.30
27	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	11,544,922	0.28
28	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MATKETS VALUE FUND	10,833,946	0.26
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	10,056,427	0.24
30	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	9,548,701	0.23

LIST OF TOP TEN (10) PROPERTIES

Location	Owner	Description of Property	Land Area (sq m.)	Usage	Age of building (Years)	Tenure	Year of Expiry on Lease	Net Book Value 31.12.2021 (RM' 000)	Year of Acquisition or Revaluation	
MALAYSIA										
Kuala Lumpur										
1.	Tower 1, Tower 2 & 3, RHB Centre 424 & 426 Jalan Tun Razak	RHB Bank Berhad	12 storey & 16 storey office building	10,270	Office Space	32 & 26	Freehold	-	184,125	2016
Penang										
2.	44 Lebu Pantai Georgetown	RHB Bank Berhad	1 unit of 6½ storey commercial building	896	Bank Branch	62	Freehold	-	3,116	1968
3.	Unit 11 & 12 Jalan Chain Ferry Tmn Inderawasih Seberang Prai	RHB Bank Berhad	2 units of 3 storey commercial building	603	Bank Branch	27	Freehold	-	3,334	1998
Selangor										
4.	Lot No. 8 Jalan Institusi Bandar Baru Bangi	RHB Bank Berhad	6 storey office Block, 5 storey Training Block, 7 storey IT Block & 5 storey Car Park Block	55,713	Training Centre	21	Leasehold	2090	58,888	1992
Perak										
5.	No. 2,4,6 & 8 Jalan Tun Sambanthan Ipoh	RHB Bank Berhad	4 storey office building	890	Bank Branch	24	Freehold	-	4,315	1991
SINGAPORE										
6.	90 Cecil Street	Banfora Pte Ltd	2 commercial buildings	796	Commercial Building	42	Leasehold	2980	149,374	1997
7.	10, Jalan Besar 01-03 Sim Lim Tower	RHB Bank Berhad	Ground Floor of office buildings	543	Bank Branch	43	Freehold	-	25,400	1999
8.	14A/B, 16A/B & 18A/B East Coast Road	RHB Bank Berhad	3 units of 3 storey shophouses	442	Bank Branch	63	Freehold	-	13,403	1999
9.	1/1A/1B Yio Chu Kang Road	RHB Bank Berhad	First Floor of office buildings	101	Bank Branch	41	Freehold	-	9,622	1999
10.	No. 537/539 Geylang Road	RHB Bank Berhad	3 storey shophouses	374	Bank Branch	98	Freehold	-	8,823	1999

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 56th Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “Company”) will be held on a virtual basis at the broadcast venue, Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 27 April 2022, at 10.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of a single-tier final dividend of 25.00 sen per share in respect of the financial year ended 31 December 2021.
3. To re-elect the following Directors who retire by rotation pursuant to Clause 94 of the Company’s Constitution and being eligible, offer themselves for re-election:
 - (i) Tan Sri Dr Rebecca Fatima Sta Maria
 - (ii) Mr Lim Cheng Teck
 - (iii) Puan Sharifatu Laila Syed Ali
4. To approve the increase of Directors’ fees and Board Committees’ allowances from the 56th AGM of the Company and further to approve the payment of the same to the Non-Executive Directors for the period from the 56th AGM to the 57th AGM of the Company.
5. To approve the payment of Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) of an amount up to RM2,000,000 to the Non-Executive Directors for the period from the 56th AGM to the 57th AGM of the Company.
6. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 57th AGM of the Company, at a remuneration to be determined by the Directors.

(Please refer to
Explanatory Note 1)

Ordinary Resolution 1

Ordinary Resolution 2
Ordinary Resolution 3
Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions:

7. AUTHORITY FOR DIRECTORS TO ISSUE SHARES

“**THAT** subject always to the Companies Act 2016, the Company’s Constitution and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being, **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

Ordinary Resolution 8

8. ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN THE COMPANY (“RHB BANK SHARES”) PURSUANT TO THE DIVIDEND REINVESTMENT PLAN (“DRP”) (“DRP SHARES”)

“**THAT** pursuant to the DRP as approved at the 55th AGM of the Company held on 25 May 2021 and subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the board of directors of the Company (“Board”) to allot and issue such number of DRP Shares from time to time as may be required to be allotted and issued, upon the terms and conditions and to such persons as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company **PROVIDED THAT** the issue price of the DRP Shares, which will be determined by the Board on the price-fixing date to be determined and announced (“Price Fixing Date”), shall be fixed by the Board at a price of not more than a 10% discount to the 5-day volume weighted average market price (“VWAP”) of RHB Bank Shares immediately before the Price Fixing Date. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the DRP Shares and that such authority to allot and issue the DRP Shares shall continue to be in force until the conclusion of the Company’s next AGM;

THAT the DRP Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares in RHB Bank, save and except that the DRP Shares shall not be entitled to any dividends, rights, benefits, entitlements and/or other distributions that may be effected before the date of allotment of the DRP Shares;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds and undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the allotment and issuance of DRP Shares, with full powers to assent to any conditions, variations, modifications and/or amendments, including amendment, modification, suspension and termination of the DRP, as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

Ordinary Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the shareholders’ approval for the payment of a single-tier final dividend of 25.00 sen per share in respect of the financial year ended 31 December 2021 (“Final Dividend”) under Ordinary Resolution 1 at the 56th AGM of the Company to be held on Wednesday, 27 April 2022, the Final Dividend will be paid on 16 June 2022 to Depositors whose names appear in the Record of Depositors of the Company as at 18 May 2022.

A Depositor shall qualify for entitlement to the Final Dividend only in respect of:

- (a) Securities transferred into the Depositor’s securities account before 4.30 p.m. on 18 May 2022 in respect of transfers;
- (b) Securities deposited into the Depositor’s securities account before 12.30 p.m. on 16 May 2022 in respect of securities exempted from mandatory deposits; and
- (c) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Azman Shah Md Yaman (LS 0006901) (SSM PC No.: 201908001628)
Hasnita Sulaiman (MAICSA No. 7060582) (SSM PC No.: 201908001631)
Company Secretaries

Kuala Lumpur
30 March 2022

NOTICE OF 56TH ANNUAL GENERAL MEETINGNOTICE OF 56TH ANNUAL GENERAL MEETING**NOTES:****Virtual AGM**

- The 56th AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting facilities which are available on the website of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, at Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/>. Please follow the procedures provided in the Administrative Details for the 56th AGM in order to register, participate and vote remotely.
- The Broadcast Venue of the 56th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 56th AGM is to inform members where the virtual AGM production and streaming would be conducted from. Members/proxies from the public will not be allowed to be physically present at the meeting venue.

Appointment of Proxy

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 April 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 56th AGM using the remote participation and electronic voting facilities.
- A member of the Company entitled to participate and vote remotely at the forthcoming 56th AGM is entitled to appoint one or more proxies to participate and vote remotely in his/her place. A proxy may but need not be a member of the Company.
- The Form of Proxy must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
- Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The Form of Proxy or other instruments of appointment must be deposited at the office of the share registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodged electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com/> not later than 48 hours before the time fixed for holding the forthcoming 56th AGM or any adjournment thereof.

Explanatory Notes**1. Item 1 of the Agenda – Audited Financial Statements for Financial Year Ended 31 December 2021**

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 - Payment of Single-Tier Final Dividend

The proposed single-tier final dividend as per Ordinary Resolution 1 shall be subjected to the fulfilment of the condition(s) as may be imposed by the regulatory authority.

3. Ordinary Resolutions 2, 3 and 4 – Re-election of Retiring Directors

Clause 94 of the Company's Constitution provides that one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire by rotation at an AGM of the Company and be eligible for re-election. With the current Board size of nine (9), three (3) Directors are to retire in accordance with Clause 94 of the Company's Constitution.

- For the purpose of determining the eligibility of the Directors to stand for re-election at the 56th AGM, the Board Nominating & Remuneration Committee ("BNRC") has assessed each of the retiring Directors via the annual Board Effectiveness Evaluation ("BEE") exercise. In line with the requirements of the Bank Negara Malaysia ("BNM")'s Policy Document on Corporate Governance and the Malaysian Code on Corporate Governance, which call for the appointment of an external party on periodic basis to conduct an objective and independent board assessment, we appointed Ernst & Young Consulting Sdn Bhd ("EY") to facilitate our BEE exercise for Financial Year ("FY") 2020.

EY undertook a comprehensive assessment of the Board, Board Committees and Individual Directors. The questionnaires for each Board Member were customized based on the Board Member's representation of the respective entity's Board and/or Board Committee during FY2020. The assessment also included interview sessions with selected Directors and Senior Management officers within the Group. The BEE questionnaires were designed based on the principles and governance practices set out in local regulatory standards and requirements, and international good practices.

- The annual assessment of the Directors of the Company was conducted based on the relevant performance criteria which include the following:

Scope of Board evaluation	
A) Board of Directors & Board Committees	B) Individual Directors Evaluation
1. Overall Board Performance	1. Independence
2. Board Chairman Leadership	2. Contribution and Commitment
3. Boardroom Culture	3. Competency, Skills and Expertise
4. Board Remuneration	4. Strengths & Enhancement
5. Board Responsibilities	
6. MD/ CEO Leadership	
7. Board Committees	
8. Board Operations	
9. Board Continuous Development	

- The full profile of the Directors up for re-election/re-appointment can be found in RHB Bank Berhad's Integrated Report 2021 and the detailed write-up on the outcome of the BEE is disclosed under Practice 6.1 of RHB Bank Berhad's Corporate Governance Report 2021 ("CG Report"). Details of the BNRC's view on the re-election/re-appointment of the respective Directors can be found under Practice 5.7 of the CG Report.

Based on the above, the Board approved the BNRC's recommendation that Tan Sri Dr Rebecca Fatima Sta Maria, Mr Lim Cheng Teck and Puan Sharifatu Laila Syed Ali who retire in accordance with Clause 94 of the Company's Constitution are eligible to stand for re-election. These three (3) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

Section 54(2)(a) of the Financial Services Act 2013 ("FSA") provides that the appointment, election, re-appointment and re-election of a Chairman, Director or Chief Executive Officer of the Company is subject to the prior written approval of BNM. In this respect, the approval of BNM on the proposed re-election of Tan Sri Dr Rebecca Fatima Sta Maria, Mr Lim Cheng Teck and Puan Sharifatu Laila Syed Ali as Directors under Ordinary Resolutions 2, 3 and 4 has been obtained.

NOTICE OF 56TH ANNUAL GENERAL MEETINGNOTICE OF 56TH ANNUAL GENERAL MEETING**4. Ordinary Resolutions 5 and 6 – Payment of Directors' Fees, Board Committees' Allowances and Directors' Remuneration (excluding Directors' Fees and Board Committees' Allowances) to the Non-Executive Directors**

The Directors' Remuneration for the Non-Executive Directors was last reviewed and approved at the 52nd AGM of the Company held on 25 April 2018.

As part of a periodical review to ensure the Group remains competitive against its peers and with the heightened responsibilities and accountabilities required for Directors per current requirements under the Companies Act 2016, the Financial Services Act 2013, the Capital Markets & Services Act 2007, the Main Market Listing Requirements and the Malaysian Code on Corporate Governance, an external consultant was engaged in 2021 to undertake the benchmarking analysis and recommend the appropriate remuneration taking into account the demands, complexities and performance of the Company as well as skills and experience required.

The proposed remuneration review was comprehensively deliberated by the BNRC in December 2021, and was duly approved by the Board for tabling at the 56th AGM for the shareholders' approval. Accordingly, it is recommended that the existing Directors' Fees, Board Committees' Allowances and Directors' Remuneration (excluding Directors' Fees and Board Committees' Allowances) be revised as follows:

No.	Description	EXISTING		PROPOSED	
		Non-Executive Chairman (RM)	Non-Executive Directors/ Members (RM)	Non-Executive Chairman (RM)	Non-Executive Directors/ Members (RM)
1	Annual Directors' Fees	200,000.00	175,000.00	300,000.00	200,000.00
Annual Board Committees' Allowances					
2	Board Audit Committee	40,000.00	30,000.00	60,000.00	40,000.00
3	Board Nominating & Remuneration Committee	40,000.00	30,000.00	60,000.00	40,000.00
4	Board Risk Committee	40,000.00	30,000.00	60,000.00	40,000.00
5	Board Credit Committee	50,000.00	40,000.00	60,000.00	40,000.00

No.	Description	EXISTING		PROPOSED	
		Non-Executive Chairman (RM)	Non-Executive Directors (RM)	Non-Executive Chairman (RM)	Non-Executive Directors (RM)
1	Monthly Fixed Allowance ^(a)	25,000.00	Not Applicable	25,000.00	Not Applicable
2	Meeting Allowance (per meeting):				
	(a) Board of the Company	1,500.00	1,500.00	2,000.00	2,000.00
	(b) Board Committees ^(b)	1,500.00	1,500.00	2,000.00	2,000.00
3	Farewell Pot Scheme (for the entire tenure of directorship) ^(c)	3,000.00	3,000.00	3,000.00	3,000.00
4	Other Benefits: Club membership, Directors & Officers liability insurance coverage, driver, car and petrol allowance, electronic devices and peripherals for meeting purposes, Directors' business-use credit card, banking benefits, air travel coverage, medical coverage, etc.				

Notes:

- (a) The monthly fixed allowance is given to the Chairman of the Company as a Special Allowance, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him.
- (b) The abovementioned Board Committees are Centralised Committees which are shared by the Company and its relevant subsidiaries of RHB Banking Group (the Group).
- (c) A farewell gift with the value of up to RM3,000.00 will be granted to a Non-Executive Director for the entire tenure of directorship upon his/her exit from the Group, either upon retirement or resignation.

The Group Managing Director/Group Chief Executive Officer does not receive any Director's remuneration.

In determining the estimated total amount of remuneration (excluding Directors' fees and Board Committees' allowances) for the Non-Executive Directors including the Non-Executive Chairman of the Board of the Company, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

Payment of the Non-Executive Directors' remuneration will be made by the Company on a monthly basis and/or as and when deemed appropriate, if the proposed Ordinary Resolutions 5 and 6 have been passed at the 56th AGM of the Company. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' remuneration on a monthly basis and/or as and when deemed appropriate, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

5. Ordinary Resolution 7 – Appointment of Auditors

The Board Audit Committee ("BAC"), at its meeting on 21 January 2022, conducted its annual assessment on the external auditors of the Company, Messrs PricewaterhouseCoopers PLT ("PricewaterhouseCoopers") in accordance with BNM's Guidelines on External Auditors. The assessment covered a wide spectrum of matters such as performance, suitability, independence and objectivity of the external auditors, based on qualifying criteria for the appointment of auditors and terms of audit engagements.

Having satisfied itself with their performance and fulfilment of criteria as set out in BNM's Guidelines on External Auditors, the BAC recommended the re-appointment of PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2022. The Board, at its meeting on 21 January 2022, approved the recommendation for shareholders' approval to be sought at the 56th AGM of the Company on the re-appointment of PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2022, under Ordinary Resolution 7.

6. Ordinary Resolution 8 – Authority for Directors to Issue Shares

The proposed Ordinary Resolution 8 is to renew the general mandate to the Directors of the Company to issue ordinary shares of the Company from time to time pursuant to Sections 75 and 76 of the Companies Act 2016. The resolution, if passed, will give powers to the Directors of the Company to issue ordinary shares in the capital of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being ("General Mandate"), without having to convene a general meeting. The General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issue of new shares and to avoid delay and cost in convening general meetings to approve such issue of shares. In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

7. Ordinary Resolution 9 – Allotment and Issuance of DRP Shares

The proposed Ordinary Resolution 9 if passed, will give authority to the Directors to allot and issue new RHB Bank Shares pursuant to the DRP in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF THE 56TH AGM OF THE COMPANY

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A to the Notice of the 56th AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF THE 56TH AGM OF THE COMPANY

Annexure A

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- (i) Further details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 56th AGM of the Company.

- (ii) A statement relating to general mandate for issue of security in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 8 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 25 May 2021.

PROXY FORM



Registration No. 196501000373 (6171-M)
(Incorporated in Malaysia under the then
Companies Ordinances, 1940 - 1946)

No. of Ordinary Shares held	CDS Account No.

I/We _____ NRIC/Passport/Company No. _____
(Name in block letters)

of _____
(Full address)

being a member of **RHB BANK BERHAD** ("RHB Bank" or "Company") hereby appoint:

Name _____ NRIC No. (Mandatory) _____
(Name in block letters)

of _____
(Full Address, Email & Tel. No.)

and/or*

Name _____ NRIC No. (Mandatory) _____
(Name in block letters)

of _____
(Full Address, Email & Tel. No.)

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our* proxy to vote for me/us* and on my/our* behalf at the 56th Annual General Meeting ("AGM") of the Company to be held on a virtual basis at the broadcast venue at Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 27 April 2022 at 10.00 a.m. or at any adjournment thereof.

The proportion of my/our* holdings to be represented by my/our* proxies are as follows:

First Proxy (1)	Second Proxy (2)
-----------------	------------------

My/Our proxy* is to vote as indicated below:

Resolutions		For	Against
Ordinary Resolution 1	To approve the payment of a single-tier final dividend of 25.00 sen per share in respect of the financial year ended 31 December 2021.		
	To re-elect the following Directors pursuant to Clause 94 of the Company's Constitution:		
Ordinary Resolution 2	(i) Tan Sri Dr Rebecca Fatima Sta Maria		
Ordinary Resolution 3	(ii) Mr Lim Cheng Teck		
Ordinary Resolution 4	(iii) Puan Sharifatu Laila Syed Ali		
Ordinary Resolution 5	To approve the increase of Directors' fees and Board Committees' allowances from the 56 th AGM of the Company and further to approve the payment of the same to the Non-Executive Directors for the period from the 56 th AGM to the 57 th AGM of the Company.		
Ordinary Resolution 6	To approve the payment of Directors' remuneration (excluding Directors' fees and Board Committees' allowances) of an amount up to RM2,000,000 to the Non-Executive Directors for the period from the 56 th AGM to the 57 th AGM of the Company.		
Ordinary Resolution 7	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 57 th AGM of the Company, at a remuneration to be determined by the Directors.		
Ordinary Resolution 8	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	To approve the allotment and issuance of new ordinary shares in the Company pursuant to the Dividend Reinvestment Plan.		

(Please indicate with an "X" in the spaces provided above as to how you wish to cast your vote. If no specific directions as to voting are given, the proxy shall vote or abstain from voting at his/her full discretion.)

Dated _____, 2022

Signature
(If shareholder is a corporation, this part
should be executed under its seal)

* Delete if not applicable

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 April 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 56th AGM using the remote participation and electronic voting facilities.
2. A member of the Company entitled to participate and vote remotely at the forthcoming 56th AGM is entitled to appoint one or more proxies to participate and vote remotely in his/her place. A proxy may but need not be a member of the Company.
3. The Form of Proxy must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
5. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint at least one proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7. The Form of Proxy or other instruments of appointment must be deposited at the office of the share registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodged electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com/> not later than 48 hours before the time fixed for holding the forthcoming 56th AGM or any adjournment thereof.

PLEASE FOLD HERE

Postage Stamp

The Share Registrar of **RHB BANK BERHAD**
BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya Selangor
Malaysia

PLEASE FOLD HERE





www.rhbgroup.com

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