

RHB BANK BERHAD

---

# Fully Virtual 57<sup>th</sup> Annual General Meeting

Pre-AGM Questions Raised By Shareholders & PNB

10 May 2023





**Permodalan Nasional  
Berhad**

## Non-Interest Income (“NOII”)

Shareholder’s Name	Question
PNB	NOII in FY22 was adversely impacted by lower investment income arising from multiple OPR hikes in 2022. With the recent OPR hike of 25bps, what are the plans to improve treasury income back to FY19 to FY21 level of ~RM400 mil?

### Response

*For treasury income, we expect the volatility in trading and investment income to persist with lingering headwinds in the financial markets stemming from continued global monetary policy tightening. This will be further impacted by structural shifts in the global supply chain as a result of heightened geopolitical stress and reopening of China’s economy.*

*We are cognisant of the potentially profound impact to financial markets from the expected global monetary policy pivot and remain consistent in applying prudent and disciplined liquidity as well as trading and investment strategies. Risks will be identified, evaluated, and managed effectively to safeguard stakeholders. In addition, to support the overall total income, we continuously look for the right opportunity to build our fixed income portfolio to achieve a balance between our NOII and future net interest income.*

## Non-Interest Income (“NOII”)

Shareholder’s Name	Question
PNB	In addition to the decrease in treasury income, NOII has also been impacted by 18% yoy reduction in fee income for FY22. What is RHB’s strategy to improve fee income and make it a sustainable contributor to its topline?

### Response

*We remain cautiously optimistic on the fee income outlook in 2023 with growth expected in the following areas:*

- a. For capital market fee income, we are expecting better pipeline deals in 2023*
- b. Brokerage income is projected to improve year-on-year but may not recover to the level recorded during the pandemic*
- c. Focus on wealth management fee income, especially in Islamic wealth management (IWM) to bolster growth.*

*For RHB, we foresee enhancing our wealth management proposition as one of the strategies to boost topline growth with IWM as a key contributor towards achieving sustainable income which will involve building a holistic IWM business*

Shareholder's Name	Question
PNB	<p>Based on page 100 of RHB Integrated Report 2022, Group Corporate Banking showed improvement in FY22, but its PBT remained lower than its FY20 performance. Additionally, GIL deteriorated from 1.58% in FY20 to 2.36% in FY22, resulting in large impairment allowances of RM522 mil and RM391 mil in FY21 and FY22 respectively.</p> <p>i. <b>What are the reasons for the deterioration in asset quality? Does the management expect credit cost and GIL to remain elevated in FY23?</b></p>

### Response

*Higher GIL for Corporate Banking in FY2022 was mainly due to a borrower from the tourism sector which was impacted by the pandemic.*

*The Group will continue to focus on maintaining credit discipline and intensify efforts in recovery and collection. Nevertheless, we will continue to facilitate the vulnerable borrowers and monitor their repayment behavior.*

*We expect the GIL ratio for RHB Bank Group to improve to not more than 1.50% for FY2023 from 1.55% recorded in FY2022*

Shareholder's Name	Question
PNB	<p>Based on page 100 of RHB Integrated Report 2022, Group Corporate Banking showed improvement in FY22, but its PBT remained lower than its FY20 performance. Additionally, GIL deteriorated from 1.58% in FY20 to 2.36% in FY22, resulting in large impairment allowances of RM522 mil and RM391 mil in FY21 and FY22 respectively.</p> <p>ii. <b>What are the steps taken to improve the profitability of this segment going forward?</b></p>

## Response

*We will focus our growth strategy on targeted sectors with high-growth and ancillary income potential.*

*At the same time, we have incorporated a dedicated Task Force team to intensify our efforts in improving asset quality through early identification of vulnerable credits, closer monitoring of high risk customers and early engagement where required.*

Shareholder's Name	Question
PNB	<p>Based on the segmental info on Group Insurance over the years, the gross written premium (“GWP”) has declined from FY18 to FY22 with a CAGR of -1.6%. Similarly ROE has been declining from 20% in FY20 to 13% in FY22.</p> <p>i. Can you provide some insights behind the decline of GWP and ROE?</p>

Response
<p><i>We will focus our growth strategy on targeted sectors with high-growth and ancillary income potential.</i></p> <p><i>At the same time, we have incorporated a dedicated Task Force team to intensify our efforts in improving asset quality through early identification of vulnerable credits, closer monitoring of high risk customers and early engagement where required.</i></p>



### Response

#### **Decline in GWP FY18 to FY22**

***In 2019, Group Insurance strategically rebalanced the business portfolio to ensure sustainable growth. While this resulted in a reduced GWP from non-preferred segment of the business, Group Insurance was able to improve the underwriting surplus after expenses by 69% as compared to 2018. In 2020 the business was not isolated from the movement control order due to Covid-19 pandemic lockdown and saw decline in the overall GWP especially from the Foreign Worker segment. Post 2020, Group Insurance had continued to grow its GWP at around 4% per annum to RM738m in 2022. From 2018 to 2022, RHB insurance had maintained its overall market ranking within the top 12<sup>th</sup> General Insurance companies.***

#### **Decline in ROE FY20 to FY22**

***RHB Insurance has consistently delivered double digit returns and is the top 5 companies in terms of its ROE. While the lockdown during the movement control order saw decline in GWP, it also contributed to better claims experience as lessor movements/traffic had resulted in lower claims especially for the motor, medical and travel insurance segments. In April 2022, as Malaysia entered into the transition to endemic phase, the claims experiences begin to return to pre-pandemic levels of 2019 for all segments of the business. This had contributed to lower profits and consequently to lower ROE.***

Shareholder's Name	Question
PNB	<p>Based on the segmental info on Group Insurance over the years, the gross written premium (“GWP”) has declined from FY18 to FY22 with a CAGR of -1.6%. Similarly ROE has been declining from 20% in FY20 to 13% in FY22.</p> <p>ii. <b>Based on our observation, insurance business contribution to the Group is less than 5% for the last three years. What is the future plan for the insurance business?</b></p>

Response
<p><i>The Group will continue to assess and explore ways to unlock the insurance value proposition, driving quality growth through carefully considered segmentation and expansion, with focus on the Retail/SME segments. The company will continue to invest and build digital capability for better delivery of its products and customer experience and synergy within bank customer base.</i></p>

Shareholder's Name	Question
PNB	Based on page 26 of RHB Integrated Report 2022, RHB has invest RM200 mil in Technology/IT over the last five years. How much capex is allocated for Technology/IT under TWP24 and how much does RHB plan to spend in FY23 and FY24?

Response
<p><i>The RM200 mil referred to represented the investment RHB put in specifically on customer digital channels providing convenience to customers on capabilities such as internet and mobile banking, online account opening, loan application, insurance and more.</i></p> <p><i>In total, RHB has invested over RM1 bil on IT / technology between 2017 and 2022, focusing not only on digitalization as described above, but also on other capabilities that strengthen our technology competitiveness. This includes analytics, automation, cyber security, IT Infrastructure efficiency and resiliency.</i></p> <p><i>Under TWP24, we have allocated over RM700 mil for our continued investment in IT and Digitalisation.</i></p>

Shareholder's Name	Question
PNB	Under TWP24, RHB targeted to achieve >65% modernized systems and >50% automated process by 2024. What is the progress regarding this targets and aspirations?

Response
<p><b><i>Under TWP24, RHB targeted to achieve &gt;65% modernized systems and &gt;50% automated process by 2024.</i></b></p> <p><b><i><u>Systems Modernisation:</u></i></b>  <i>As at Dec 2022, we have modernised 56.2% of our systems and we are on track to achieve the target of 60% and 65% in 2023 and 2024 respectively.</i></p> <p><b><i><u>Processes Automation:</u></i></b>  <i>In 2022, we increased our process automation from 21% to 29%. As at 30 April 2023, we have achieved 32% process automation. We are on track to achieve the 2023 target of 40% and 2024 target of 50%.</i></p>

Shareholder's Name	Question
PNB	<p>As announced via Bursa Malaysia, RHB Bank and Boost Holdings had on March 1, 2023, jointly incorporated Boost Berhad, which subject to BNM's approval, will be the legal entity to carry out the digital banking business.</p> <p>i. <b>What is the expected timeline for the approval and launch of the digital banking business?</b></p>

## Response

*As part of the licensing conditions, BNM has established a 24-month timeframe till April 2024 for the Digital Banks to commence operations, subject to BNM's approval on operational readiness.*

*The Digital Bank's build progress is on track and together with Boost, we target to obtain BNM's approval to begin operations and launch the Bank by H2 2023.*

Shareholder's Name	Question
PNB	<p>As announced via Bursa Malaysia, RHB Bank and Boost Holdings had on March 1, 2023, jointly incorporated Boost Berhad, which subject to BNM's approval, will be the legal entity to carry out the digital banking business.</p> <p><b>ii. Can you share any high-level targets and aspirations for the digital banking business?</b></p>

### Response

*In line with the value propositions committed within the license application and business plan submitted to BNM, the Digital Bank aspires to –*

- *Meet the needs of underserved individuals and MSMEs in Malaysia through accessible financial solutions.*
- *Champion innovation in financial services through the use of technology, data and analytics to cater to unmet financial needs in the market.*
- *Build a sustainable digital bank through a viable, compliant and sound business model and become a benchmark for marrying innovation with stability and integrity in the Malaysian financial system.*
- *Facilitate the growth of financial and digital literacy in Malaysia, whilst building a strong pool of world-class digital-technology empowered talent.*

*The Digital Bank also ultimately envisions embedding our solutions in customers' lives in an accessible, innovative and convenient ecosystem, differentiated through products, technology and user experience.*

# Board Effectiveness Evaluation (“BEE”)

Shareholder’s Name	Question
PNB	Based on page 165 of RHB Integrated Report 2022, some of the key findings from the BEE includes ESG as an area for improvement. Can you share on the expected action plan to further improve BOD’s oversight and participation on ESG matters?

Response
<p><i>The Board of Directors is the highest governing body in providing the strategic direction and oversight of the Group Sustainability Strategy and Roadmap, and defining the Group’s Sustainability commitments and aspirations. The Board of Directors receives progress updates on the Group sustainability and climate strategy, including achievements against the Group’s KPIs on a quarterly basis.</i></p>



### Response

*To ensure greater focus in the execution and implementation of the Group Sustainability Strategy and Roadmap, the Group had, in August 2022, strengthened its sustainability governance with the setting up of the Board Sustainability Committee (“BSC”). The BSC’s primary role is to assist the Board of Directors in providing oversight and in ensuring the integration of Sustainability and climate-related considerations into the Group’s long term corporate strategy and decision making process.*

*The Group has put in place a Responsible, Accountable, Consulted and Informed (“RACI”) Framework for the Board Sustainability Committee, Board Risk Committee (“BRC”), Board Nominating & Remuneration Committee (“BNRC”), and Board Audit Committee (“BAC”) as guidance in their deliberation and decision making process on Sustainability and climate-related matters.*

*RHB has also developed a robust Sustainability Capability Building Framework to develop the skillsets of our people across all levels which includes members of the Board to materially drive and achieve our ESG and climate goals and aspirations. For FY 2023 we have allocated RM 5 million towards learning and development in sustainability and climate related topics.*

Shareholder’s Name	Question
PNB	<p>On page 49 of RHB Sustainability Report 2022, it was mentioned that customers are classified into Low, Medium or High Risk based on the ERA.</p> <p><b>i. Can you share RHB’s loan exposures under the three risk classifications respectively?</b></p>

## Response

ERA Rating	Total Outstanding (RM’M)	%
Low	13,478	82.3
Medium	2,162	13.2
High	19	0.1%
Unrated	716	4.4%

Shareholder’s Name	Question
PNB	<p>On page 49 of RHB Sustainability Report 2022, it was mentioned that customers are classified into Low, Medium or High Risk based on the ERA.</p> <p>ii. What are the plans to shift high and medium risks categories to a lower risk category?</p>

**Response**

*The Bank is progressing with the Group Climate Action Program and is in the midst of establishing carbon baselining. This will allow us to better understand our clients’ carbon emission amount and intensity, in which, we are able to partner with our clients to achieve our climate objectives.*

*The Bank will engage with clients with high climate risks and impact to better understand their decarbonisation strategy and the support that client require from the Group in their transition journey. The Group is committed to mobilise RM20 billion in sustainable financial products and services by 2026 to support our clients through our business activities of lending and financing, capital markets and advisory, wealth management, investments, and insurance businesses, which includes financing and investing in green, social and ESG-linked activities . As at Dec 2022 , the Group has mobilised more thanRM12 billion in Sustainable Financial Services*

# Threat of Digital Fraud

Shareholder's Name	Question
PNB	Based on page 49 of RHB Integrated Report 2022, RHB has grown the Digital, IT and Analytics (“DIA”) workforce mix to 7.7% of total employees (from 6.5% in December 2021) to address the threat of digital fraud and scams. Can you share any incident related to digital fraud and scams that occurs during FY22 and the financial impact, if any? What are the mitigation plan in place to address this threats?

### Response

***Reported scam incidents involving RHB customers in FY22 has reduced by almost 40% ( Value) when compared with the total incidents reported in FY21***

#### ***Types of Scam incidents in FY22***

- ***Phone Scams or “Macau scams” : 67%***
- ***Malware APK – “Android Packet File”: 23%***
- ***Social media/phishing scam: 9%.***

***These scams however, were not attributed to any lapses or breach of the Bank’s systems.***

***Nevertheless, mitigation plans have been implemented which includes:***

- ***A 24/7 monitoring and fraud detection team with call backs to customers and blocking of unauthorized transactions,***
- ***Fraud rules optimization and threshold refinement based on known scam MO and fraud trends observed.***
- ***Fraud/scam awareness (Website / Facebook / SMS to targeted vulnerable groups)***

***In addition, the Bank is also working towards fully implementing the fraud counter measures imposed by BNM in 2023.***

2

Retail Shareholders

Shareholder's Name	Question
EE YIH CHIN	<p>Net return on average equity for FY22 is 9.7%.</p> <p>a) What is the return after normalising for the Prosperity Tax impact?                      b) What is the target ROE for FY23?</p>

Response
<p><b><i>For FY2022, the Group's profitability was impacted by the one-off Prosperity Tax impact (Cukai Makmur). Nevertheless, the net profit of RM2.71 billion recorded still represents a growth of 3.4% year-on-year.</i></b></p> <p><b><i>Excluding Cukai Makmur, net profit would have been RM3.14 billion, translating into a normalised ROE for the Group at 11.2% (vs as reported ROE of 9.7%)</i></b></p> <p><b><i>ROE is projected to be equal or more than 11.0% in FY2023, in line with the expected softer GDP and moderated loans growth momentum</i></b></p>

Shareholder's Name	Question
EE YIH CHIN	<p>The FY22 loan growth target was 4% to 5%. However, the actual result was 6.9% growth.</p> <p>a) What factors contributed to the better performance?                      b) What is the target for FY23?</p>

Response
<p><i>In FY2022, loans grew 6.9% YoY which was primarily driven by mortgage, auto finance, SME, Commercial, Singapore and Cambodia.</i></p> <p><i>2023 GDP is projected to grow at a moderate pace of 5.0% from 8.7% recorded for 2022. For the banking sector, loans are expected to grow in 2023 albeit at a more moderate pace, in line with the slower global growth projection.</i></p> <p><i>For RHB Banking Group, loans growth is expected to be between 4%-5% this year and the primary drivers will continue to be mortgage, auto finance, SME and Singapore.</i></p>



Shareholder's Name	Question
EE YIH CHIN	<p>According to an analyst report, as of 31 Dec 2022, RHB has one of the highest variable rate loans among peers at 89%, and a relatively low CASA ratio at 29%.</p> <p>What are the implications in the current interest rate environment?</p> <p>Given that BNM raised OPR to 3% recently, and RHB's own forecast of terminal OPR rate at 3.25% for 2023 (page 46), what is the NIM outlook in 2023?</p>

**Response**

*RHB, through its high proportion of variable rate loans, would benefit from OPR hikes. At the same time, we are also seeing funds being moved from CASA to fixed deposits under the current interest rate environment giving rise to higher cost of funds and impacting our NIM.*

*For FY2023, NIM is expected to range between 2.22% and 2.25% (from 2.24% in FY2022). However, we foresee the current intense competition for deposits to continue with cost of funds remaining elevated. This could potentially result in NIM compression in the short term until funding cost stabilises.*

*In the meantime, RHB will continue to focus on our CASA acquisition strategy as well as managing our funding costs diligently.*

Shareholder's Name	Question
EE YIH CHIN	<p>Refer Net Promoter Score (NPS) in page 75.</p> <p>What are the reasons contributing to the decline in NPS for:</p> <ul style="list-style-type: none"> <li>a) IB Retail Equities from 2nd in 2020 to 7th in 2022</li> <li>b) Insurance from 4th in 2021 to 10th in 2022</li> </ul>

**Response**

*We have added industry benchmarking as part of our annual Net Promoter Score (NPS) survey in 2020 and RHB Group has achieved better overall NPS score and/or ranking over the last 3 years.*

*Specifically for IB Retail Equity, our NPS score has increased by 6 pts to +4 despite a drop in 1 rank from 2021 (6th) to 2022 (7th). We were surpassed by many discount brokers in ranking mainly due to their low cost business model and aggressive pricing strategy. We have already taken steps to enhance our offerings and service differentiation, as well as improving our pricing competitiveness in order to capture back higher customer satisfaction and loyalty. Customers' feedback were largely on improving pricing and stability of the trading platform. However, customers were positive on the Share Margin Financing campaigns launched.*

**Response**

*The drop in ranking of our insurance business in 2022 was mainly due to expanded scope of survey to include all key general insurance players for a more complete benchmark. We have taken the customers' feedback and initiated relevant programmes to improve our NPS score and ranking moving forward.*

Shareholder's Name	Question
TEH KIAN LANG	Will 2023 be a better year than 2022 or be worse due to new challenges?

Response
<p><i>The Group is cognisant of the uncertainties surrounding economic recovery arising from external developments.</i></p> <p><i>In view of this, we remain vigilant on the outlook for the rest of the year but committed to deliver growth in 2023 by:</i></p> <ul style="list-style-type: none"> <li>• <i>Taking a balanced approach by continuing to grow assets responsibly and maintaining credit discipline</i></li> <li>• <i>Remaining prudent by managing asset quality closely</i></li> <li>• <i>Maintaining strong operating expense discipline. However, we will continue to invest in IT and Digital to drive efficiency</i></li> <li>• <i>Maintaining strong fundamentals through robust capital and liquidity positions</i></li> </ul>

Shareholder's Name	Question
LOH MUN SEONG	Banking crises in the US and EU creating much market volatility for the industry worldwide. And central banks will continue raising interest rates to bring down inflation, even as fears grow over the possibility of a global recession. Any plans to ride out the turbulence?

**Response**

*The Group is cognisant of the uncertainties surrounding economic recovery arising from external developments. In view of this, we remain vigilant on the outlook for the rest of the year but committed to deliver growth in 2023 by:*

- *Taking a balanced approach by continuing to grow assets responsibly and maintaining credit discipline*
- *Remaining prudent by managing asset quality closely*
- *Maintaining strong operating expense discipline. However, we will continue to invest in IT and Digital to drive efficiency*
- *Maintaining strong fundamentals through robust capital and liquidity positions*

Shareholder's Name	Question
LOH MUN SEONG	Do u see any possibility for Bank Negara Malaysia (BNM) to increase OPR in 2023?

Response
<p><i>IR: We expect BNM to continue to further increase the OPR by 2 hikes (25 bps each) in 2023, which could potentially peak at 3.25% by the end of the year</i></p> <p><i>Treasury: At its Monetary Policy Meeting (MPC) in March 2023; BNM has stated that the current level of OPR remains appropriate and accommodative to support economic growth. Going forward, we expect BNM to continue its policy of setting and aligning the OPR with the pace of economic growth.</i></p>

Shareholder's Name	Question
KOW LIH SHI	The banking sector are good view in catalyst of government having MoU with China country, how was company beneficial from that announcement?

Response
<p><i>We expect the MoU between Malaysia and China will help to enhance the collaboration between these two nations which is expected to result in huge spillover for the ecosystem, benefiting the economy including the banking sector.</i></p>

Shareholder's Name	Question
LEE CHEE CHIANG	With endemic now. The outcoming quarter profits margin will be increasing tremendously.

Response
<p><i>Malaysia economy is still expected to grow in 2023 albeit at a more moderate pace. However, risks to the economic growth remain, primarily stemming from inflationary pressures and external developments such as slower global growth and prolonged geopolitical tensions.</i></p> <p><i>Against this backdrop, the Group remains vigilant on the outlook for the rest of the year but committed to deliver growth in 2023 by:</i></p> <ul style="list-style-type: none"> <li>• <i>Taking a balanced approach by continuing to grow assets responsibly and maintaining credit discipline</i></li> <li>• <i>Remaining prudent by managing asset quality closely</i></li> <li>• <i>Maintaining strong operating expense discipline. However, we will continue to invest in IT and Digital to drive efficiency</i></li> <li>• <i>Maintaining strong fundamentals through robust capital and liquidity positions</i></li> </ul>



Shareholder's Name	Question
EE YIH CHIN	<p>RHB Group's CET-1 ratio and total capital ratio stood at 16.9% and 19.3% (page 80). They are the highest among the Malaysian banks, and also way higher than BNM's requirement.</p> <p>However equity capital is expensive. Why does RHB Group need to have much higher CET-1 ratio as compared to other major banks?</p> <p>Moving forward, what is the appropriate range of CET-1 ratio, for the short and medium terms?.</p>

**Response**

*The Group does not have any short- and medium term target for capital ratios. Nevertheless, our capital ratios are well above our internal targets and BNM's minimum regulatory requirements.*

*Moving forward, taking cognisance of the challenges in the operating environment, we want to remain prudent and continue to be among the best capitalised banks in Malaysia.*

Shareholder's Name	Question
EE YIH CHIN	<p>The number of Malaysian branches/ offices increased from 289 in 2019 to 311 in 2020. But they were reduced from 309 in 2021 to 268 in 2022 (refer page 8).</p> <p>Why drove the earlier expansion and the subsequent reversal? How much saving is achieved through 2022 branch/ office closure?</p>

Response
<p><b><i>Group Community Banking consistently review our branch network portfolio as part of our overall business strategy to better serve our customers. As part of the overall Branch Repurpose initiative to optimize our network, we have closed 35 Sales Centers in 2022 and consolidated into the existing Branch network for greater efficiency. With the digital enhancement, customer can apply for new financing online and no longer need to visit the sales center. Hence a separate sales center is no longer required. The closures are estimated to contribute approximately RM10Mil p.a in cost saving.</i></b></p>

**Response**

*Group Investment Banking has consistently been rationalizing its branches since the merger with OSK in 2013. We started with 61 branches and to date, have closed a total of 27 branches and derived savings in opex of approximately RM3.4 million per year. We will continue to review the performance of the remaining branches and assess branches for rationalization based on approved criteria for performance and sustainability. We are collaborating with RHB Bank to establish flagship branches whereby the co-branding efforts will offer better value proposition to customers.*

Shareholder's Name	Question
LIM KAR SEAH	What is the strategy that will be used by RHB to stay competitive and even to create a new niche market for the younger generations/customers?

Response
<p><b><u>MOHE</u></b></p> <p><i>RHB through RHB Islamic in collaboration with Ministry of Higher Education, launched a specially developed multi-purpose smart cards and saving accounts to 1.2 million students from 20 public universities across Malaysia. This allows convenient access and management of their funds, including the distribution of Perbadanan Tabung Tinggi (PTPTN) funds that are received exclusively through their RHB Pro Saving Account-i. As of December 2022, RHB has facilitated 267,573 new accounts opening, and aim to complete by first half of 2023. In the next 5 years, RHB looks to leverage on the relationship built with university students to position RHB their main bank (i.e. their salary account, their first auto financing, their first home financing etc.) when they transition to be the workforce.</i></p>

**Response**

**Digital Sales**

***RHB has been doubling down our effort and investment on scaling and enhancing our digital capabilities and ecosystem via RHB Online Banking Platform, MyHome App and API Banking. As of December 2022, 49% of Mortgage sales and 15% of PF sales originated digitally.***

Shareholder's Name	Question
LEE MUN HOE	How about the bank to ensure it can increase more revenues in consideration of no fee directive applied to retail loan document and expected change on hire purchase interest computation to reducing balance method?
<b>Response</b>	
<p><b><i>Total fee from loan documentation contributes only 0.3% of total retail income for FY22</i></b></p> <p><b><i>As for Hire Purchase, RHB business direction is focused towards Vehicle Financing-i (Variable Rate). Unlike all other competitors, Vehicle Financing-i (Variable Rate) method of calculation is based on reducing balance. Our current portfolio today consist of approximately 93% Vehicle Financing-i (Variable Rate) and since 2022 onwards, &gt;99% of all Hire Purchase new bookings are under Vehicle Financing-I (Variable Rate).</i></b></p> <p><b><i>In addition, we will be launching the enhanced Vehicle Financing-i (Variable Rate) this year which will enable us to target the Mass Affluent segments and above and drive incremental in sales.</i></b></p> <p><b><i>Other than the partnership with VOLVO, we are working on new strategic partnership to drive growth.</i></b></p>	

Shareholder's Name	Question
LEE MUN HOE	Any plans to impose more or increase fee based service in order to give sustainable return to the shareholders

Response
<p><i>In line with Bank's 3 year strategy, doubling down on wealth management business is our key focus to increase fee based income. The acceleration in wealth management business will be via new product offerings, customer acquisition, digitalisation and focusing on Islamic Wealth Management.</i></p> <p><i>We also have a very robust SME business that generates significant fee income through a variety of transactional fee income. SME Fee income grew 13% in 2022 and will continue to be a significant contributor.</i></p>

Shareholder's Name	Question
LEE MUN HOE	Any plan to revisiting office space and modification of workspaces ongoing?

Response
<p><i>While the Group focus on investment in digital channels, physical locations remain as important customers' touch points. On this aspect, we carry out proactive maintenance and refurbishment of our branches, business centres and premier banking centres etc. on an on-going basis to provide more conducive and secured banking environment, better customer experience as well as to improve our brand image. As for offices, we are also progressively updating and reconfiguring the existing space with contemporary design to facilitate more productive and collaborative environment, hybrid working arrangement, cost effectiveness and sustainability elements, as well as multi-locations set up for greater resiliency of critical operations and systems.</i></p>



Shareholder's Name	Question
LEE MUN HOE	If RHB constantly improving and maintaining physical condition of the properties? Any planning to refurbish branch and office?

Response
<p><i>RHB consistently review our branch network portfolio for upgrades and refurbishments, repurpose, and relocations based on our overall strategy to better serve the local community. Since FY2021, we have refurbished more than 55 branches and Premier Centre, and 29 more slated to be completed by this year, while the Group focus on investment in digital channels, physical locations remain as important customers' touch points. On this aspect, we carry out proactive maintenance and refurbishment of our branches, business centres and premier banking centres etc. on an on-going basis to provide more conducive and secured banking environment, better customer experience as well as to improve our brand image. As for offices, we are also progressively updating and reconfiguring the existing space with contemporary design to facilitate more productive and collaborative environment, hybrid working arrangement, cost effectiveness and sustainability elements, as well as multi-locations set up for greater resiliency of critical operations and systems.</i></p>

Shareholder's Name	Question
LOH MUN SEONG	Malaysia's GDP is forecast to grow approximately 4.5% in 2023 (8.7% in 2022), somehow, loan growth performance is anticipated to moderate growth. What is the strategy to boost the performance of the loan outlook?

**Response**

*In FY2022, loans grew 6.9% YoY which was primarily driven by mortgage, auto finance, SME, Commercial, Singapore and Cambodia.*

*2023 GDP is projected to grow at a moderate pace of 5.0% from 8.7% recorded for 2022. For the banking sector, loans are expected to grow in 2023 albeit at a more moderate pace, in line with the slower global growth projection.*

*For RHB Banking Group, loans growth is expected to be between 4%-5% this year and the primary drivers will continue to be mortgage, auto finance, SME and Singapore.*

**Response**

**Retail Loan**

*We will continue to see loans growth in the retail space. For Retail loan, Mortgage will continue to be the driver. In FY2023, we are expanding and diversifying our portfolio with secondary market property and commercial property financing.*

*For Hire Purchase, we continue to focus on winning more market share through expansion of our touch points and focus on EV financing, which is align with RHB Sustainability Financing agenda.*

**SME Loan**

*With the re-opening and government focus on supporting the SME industry, the outlook remains positive and is expected to outpace National average GDP growth. RHB will continue our focus on SME segment via digital financing and ESG financing*

Shareholder's Name	Question
LOH MUN SEONG	Any TWP24 strategy updates for 2023 and 2024? and What is the big challenge for the group?

### Response

#### TWP24 strategy updates for 2023 and 2024

The Group's immediate focus is to stay the course in executing our Together We Progress 24 (TWP24) strategy, guided by our three strategic objectives:

- 'Be Everyone's Primary Bank', where we continuously strive to ensure customers' needs are met through personalised and segment-tailored propositions
- 'Prioritise Customer Experience', where we believe service excellence is our key differentiating factor and will continue delivering superior customer experience.
- 'Drive Quality Growth', where we will continue to focus in businesses where we have the 'right-to-win', while ensuring that our asset quality and credit risks remain resilient.

**Response****What are the potential risks and challenges for the Group?**

We remain cautious of any global headwinds that might potentially weigh on growth in the Malaysian banking sector, including but not limited to:

- Potential worsening of the war between Russia and Ukraine which could affect prices of commodity and food globally
- Prolonged period of high inflation which will intensify the hawkish approach in the economy globally
- A potential global recession may further slowdown trade activities and exports, slowing down the Malaysian economy

Shareholder's Name	Question
EE YIH CHIN	<p>The dividend policy is minimum 30% payout. The payout ratio was 62.5% in FY2022.</p> <p>Given RHB Group's high CET1 ratio, will the Board envision maintaining a high level of payout ratio in FY23, or close to 40 sen DPS in absolute term?</p> <p>Will the Board also consider revising its dividend policy with a higher payout ratio?</p>

**Response**

*In FY2019, the Group revised the dividend payout guidance to a minimum of 30% (from between 20% and 30% previously). Nevertheless, the dividend declared by the Board is subjected to the regulatory approvals.*

*DRP was first applied to the Group's final dividend for FY2020. The dividend reinvestment rate has been encouraging with DRP subscription rate ranging from 83.31% to 87.65% upon implementation.*

**Response**

*Shareholders are given the option to reinvest the electable portion into DRP shares. If the DRP is not exercised by the shareholders in full, the remaining balance of the electable portion and the non-electable portion will be paid to the shareholders in cash*

*In the future, the Group intends to continue paying dividend of at least 30%. RHB however, has a target to pay at least 50% dividend payout i.e. similar to the highest pre-pandemic payout ratio in 2019*

Shareholder's Name	Question
EE YIH CHIN	<p>In May 2022, the electable portion of DRP is 10 sen out of 25 sen of final dividend. In May 2023, the electable portion has been reduced to 5 sen out of 25 sen.</p> <p>Why is there is lesser need for DRP in 2023?</p> <p>Will DRP of at least 10 sen per year (=5 sen + 5 sen) likely to continue in the foreseeable future?</p>



**Response**

*In FY2019, the Group revised the dividend payout guidance to a minimum of 30% (from between 20% and 30% previously). Nevertheless, the dividend declared by the Board is subjected to the regulatory approvals.*

*DRP was first applied to the Group's final dividend for FY2020. The dividend reinvestment rate has been encouraging with DRP subscription rate ranging from 83.31% to 87.65% upon implementation.*

*Shareholders are given the option to reinvest the electable portion into DRP shares. If the DRP is not exercised by the shareholders in full, the remaining balance of the electable portion and the non-electable portion will be paid to the shareholders in cash*

*In the future, the Group intends to continue paying dividend of at least 30%. RHB however, has a target to pay at least 50% dividend payout i.e. similar to the highest pre-pandemic payout ratio in 2019*

Shareholder's Name	Question
WONG SEE KAI	Dividend reinvestment revenue stamps and commission should be deducted by the company from the dividend received. I received the dividend reinvestment letter on the 2 March the closing date.

Response
<p><b><i>Under Section 4(1) of the Stamp Act 1949 (Stamp Act), the DRF or e-DRF is deemed to be an agreement and an instrument chargeable with a stamp duty.</i></b></p> <p><b><i>The DRF/e-DRF is subjected to a stamp duty of RM10, being an agreement/Notice of Election (instrument) for the shareholders to elect to participate in the Reinvestment Option.</i></b></p> <p><b><i>The stamp duty shall be payable by the shareholders, being the person whom first sign (execute) the agreement/notice of election.</i></b></p>

Shareholder's Name	Question
LIM KAR SEAH	How could RHB foresee its Dividend Yield or Growth over the next 5 years? Would RHB be able to outperform other stocks such as BAT, Maybank?

**Response**

*The Board believes in balancing returns to shareholders with investment to support future growth. Nevertheless, the dividend declared by the Board is subjected to the regulatory approvals.*

*In FY2019, the Group revised the dividend payout guidance to a minimum of 30% (from between 20% and 30% previously).*

*For FY2022, the Group has declared a second interim dividend of 25 sen per share, consisting of cash payout of 20 sen per share and an electable portion under the Dividend Reinvestment Plan of 5 sen per share. Together with its first interim dividend of 15 sen per share, total dividend for FY2022 amounts to 40 sen per share or 62.5% payout ratio.*

*In the future, the Group intends to continue paying dividend of at least 30%. RHB however has a target to pay at least 50% dividend payout i.e. the highest pre-pandemic payout*

Shareholder's Name	Question
LIM KAR SEAH	Could RHB make the Dividend Declaration at each quarter like BAT to enable higher compounding effects via more Dividend Reinvestments? I mean the frequency of reinvestment

**Response**

*Responded under previous Question (How could RHB foresee its Dividend Yield or Growth over the next 5 years? Would RHB be able to outperform other stocks such as BAT, Maybank?)*

Shareholder's Name	Question
KOW LIH SHI	Can company distribute RM1 of high Dividends?

**Response**

*The Group has declared a second interim dividend of 25 sen per share, consisting of cash payout of 20 sen per share and an electable portion under the Dividend Reinvestment Plan of 5 sen per share. Together with its first interim dividend of 15 sen per share, total dividend for FY2022 amounts to 40 sen per share or 62.5% payout ratio.*

*In the future, the Group intends to continue paying dividend of at least 30%. RHB however has a target to pay at least 50% dividend payout i.e. the highest pre-pandemic payout*

## Dividends – Types of Dividend Issued (7/7)

Shareholder's Name	Question
LEE SIN YEE	Why does the management distribute the dividend scrip via treasury shares instead of issuance of new shares? Treasury share can be accumulated via share buy backs thus reducing the outstanding shares to further enhance the value for shareholders holding RHB shares.

### Response

*The Group has declared a second interim dividend of 25 sen per share, consisting of cash payout of 20 sen per share and an electable portion under the Dividend Reinvestment Plan (DRP) of 5 sen per share.*

*Shareholders are given the option to reinvest the electable portion into DRP shares. If the DRP is not exercised by the shareholders in full, the remaining balance of the electable portion and the non-electable portion will be paid to the shareholders in cash*

Shareholder's Name	Question
LEE MUN HOE	If the Nomination and Remuneration Committee asses outsider candidates prior decided to retain existing board members? Any interview process goes through?

Response
<p><i>When a new candidate is nominated to replace an outgoing member for directorship, he or she is assessed by the BNRC in accordance with RHB Banking Group's Fit and Proper Policy for key responsible persons. These assessments are carried out against benchmark of documented competencies which have been prepared for each role, the self-declarations by each individual, the academic/professional qualification record and the specific vetting checks on criminal record, bankruptcy and regulatory disqualification.</i></p> <p><i>The Chairman of the BNRC (or any two members of the BNRC in the absence of the Chairman, as the case may be) conducts an interaction session with the proposed candidates and assesses them based on their skills and experience, independence (where relevant) and objectivity, track record of success, sound judgment and other relevant perspectives.</i></p> <p><i>Detailed information on the succession planning process can be found in RHB Bank Berhad's Corporate Governance Report 2022 under Practice 5.1 from page 41 – 44 and Practice 5.5 from page 48 – 50.</i></p>

**Response**

*The Board carries out an annual performance review of its members via the Board Effectiveness Evaluation (“BEE”) exercise. The BEE is conducted with the support of the Board Nominating & Remuneration Committee (“BNRC”) to assess the performance of individual directors, Independent and Non-Independent Directors and Board Committees. The BEE exercise is designed to detect strengths and weaknesses to improve the Board and individual director’s overall effectiveness and is an important supporting component for re-appointment of Directors. The re-election of a director is contingent on satisfactory evaluation of his or her performance and contribution to the board. The Board is pleased to report that all members assessed during the previous BEE exercise have attained respectable scores and details of the assessment are disclosed under Practice 6.1 of the Corporate Governance Report 2022 on page 60 – 63.*



Shareholder’s Name	Question
LEE MUN HOE	Any clear KPI made to the Independent Non-Executive Directors?
	What is the board expectation to the retained Independent Non-Executive Directors & executive directors’ contribution to the company?

## Response

*The Independent Non-Executive Directors (“INED”) are required to be impartial and objective, especially on matters relating to management, shareholders and other stakeholders. The current crop of INEDs within the Board have exemplified strong independent judgment and character in carrying out their mandate which was reflected in the performance assessment conducted via the Board Effectiveness Evaluation. The BEE, in particular Part B, evaluated individual Board member’s contribution to the Board and competencies of each Board member which included:*

- *Balancing Stakeholders*
- *Cultivating Innovation*
- *Broad Perspective*
- *Strategic Vision*
- *Ensuring Accountability*
- *Developing Talent*
- *Managing Conflict*
- *Courage*
- *Managing Ambiguity*
- *Dedication*
- *Situational Adaptability*
- *Independence*

**Response**

*The assessment result also indicated that the current composition of majority INEDs encapsulates strong boardroom culture which allows for good discourse and interaction between board members, paving the way for crystallisation of opinion and sound decision making. Performance results of the INEDs are provided for under Practice 6.1 of the Corporate Governance Report 2022 from page 60 – 63.*

Shareholder’s Name	Question
<p>QUEK JIN ANG</p>	<p>Ordinary Resolution 6- Payment of Directors' Remuneration (excluding Directors' fees and Board Committee Allowances) up to RM2.40 million to the Non-Executive Directors from 57th AGM to 58th AGM of the Company</p> <p>Please provide the breakdown of remuneration/benefit paid to each Non-Executive Director of the Company from 56th AGM to 57th AGM of the Company as the amount up to RM2.0 million was approved by the shareholders at the last AGM held on 27 April 2022. Please specify amount paid for each remuneration/benefit to each Director.</p> <p>What is the rationale for the Directors' Remuneration be increased from RM2.0 million to RM2.4 million?</p>
<p>LEE MUN HOE</p>	<p>May I know any increase on directors’ fees and remuneration perks as compared with a year ago?</p>

**Response**

*The disclosure of remuneration paid to Non-Executive Directors (“NEDs”) in FY2021 and in FY2022 is disclosed under Note 43 on Page 110 – 111 of the Financial Report. Detailed breakdown of the Board remuneration is provided for under Practice 8.1, on Page 70 - 72 of the Corporate Governance Report 2022.*

*The increase in the amount sought for shareholders’ approval is attributed to the following:*

*Establishment of a new Board Committee, namely the Board Sustainability Committee in FY2022.*

*Allocation for appointment of additional member(s) to the RHB Bank Berhad Board as well as its Board Committees’, to be utilised if required.*

*(At this juncture, there are no plans to expand the number of Board or Committee members, the allocation is purely made to serve as a contingency.)*

*Refresh of outdated electronic devices provided to the Directors such as the iPhone, iPad and other peripherals for meeting purposes. (Classified as ‘Other Benefits’)*

*In addition, the amount sought for approval also includes an allocation of 10% contingency of the overall remuneration required to mitigate any unforeseen impact that is beyond the Board or companies control.*

**Response**

*The Board has in place a remuneration structure that is fair and transparent which underwent independent review, facilitated by Willis Tower Watson, in 2021. The revised remuneration structure was duly approved by the Shareholders during the 56th AGM of the Company in 2022. Any future changes to the remuneration structure will be put also be put forward for shareholders’ scrutiny and approval.*

*We hope the above provides sufficient clarity on the increase of the remuneration sought for approval under Ordinary Resolution 6.*

Shareholder's Name	Question
CHEW HON MUN	What is the current status and progress of the digital bank, especially after the share subscription agreement for Boost Bhd to meet the minimum capital funds requirement. When is the expected timeline to launch the digital bank business, and what is the plan to take advantage of existing Boost app to capitalise on it?

Response
<p><i>The consortium team is currently in the build phase and continues to develop the Digital Bank according to planned timelines.</i></p> <p><i>The Digital Bank has a target launch date by end 2023, within the 24 month timeframe established by BNM.</i></p> <p><i>Boost has extensive and proven experience in building a fintech business with deep knowledge in the Digital Bank's targeted customer segments. The Digital Bank will tap into Boost's existing and affiliated ecosystems, products, customers and expertise to accelerate the build process.</i></p>

Shareholder's Name	Question
LOH MUN SEONG	What is the updates for digital banking which JV in between Boost and RHB?

**Response**

*The Digital Bank setup has been progressing according to planned timelines.*

*RHB Bank, together with Boost Holdings have reached the following milestones in Q1 2023:-*

- Jointly incorporated a company, Boost Berhad, which subject to the approval from BNM, will be the legal entity to carry out the digital banking business.*
- Jointly signed a share subscription agreement to subscribe to 100 million new ordinary shares in Boost Berhad for RM100 million to meet the minimum capital funds as required by BNM.  
(Boost Holdings and RHB Bank holds 60% and 40% respectively of the equity share capital of Boost Berhad)*
- Jointly signed a shareholders agreement to regulate the affairs of Boost Berhad as the proposed Digital Bank, and RHB Bank and Boost Holdings' relationship between themselves as shareholders of Boost Berhad.*

*The Digital Bank's build progress also remains on track, and targeted to launch by the end of 2023, or latest by the first quarter of 2024 within the timeframe established by BNM.*



Shareholder's Name	Question
LIM KAR SEAH	What is the projection for the next 5 to 10 years after the collaboration with Boost e-Wallet? What do you think is the main strength that could outperform others?

Response
<p><b><i>We see the collaboration with Boost in building the Digital Bank as a long term investment towards sustainable growth.</i></b></p> <p><b><i>We see the Digital Bank growing alongside our target customers, i.e. the underserved segment, in the long-term, enabling them to build their credit history and putting customers in a stronger financial position in the future.</i></b></p> <p><b><i>This Digital Bank partnership is the only bank-backed consortium with RHB providing our established years of trust with customers and regulators, alongside our proven technical expertise in areas across core banking services, risk, compliance and product management etc. to support the setup and running of the Digital Bank.</i></b></p> <p><b><i>Our partners Boost also has extensive and proven experience in building a fintech business, with deep knowledge in the Digital Bank's targeted customer segments. In addition, Boost also has an established active customer base on their e-Wallet / micro-credit ecosystem as well as an adjacent reach to the CelcomDigi customer base.</i></b></p>

Shareholder's Name	Question
KOW LIH SHI	What would company do for digital Banking, and block chain co-relating technology and cybersecurity safety to stronger client confident in future?

Response
<p><i>Through the Digital Transformation program, RHB has introduced new and improved digital channels for banking on Mobile (in 2019) and Web (in 2022) contributing to the growth of our digital users (from 1.5m in 2017 to 2.2m in 2022). Additionally, RHB provides convenient apps for financing needs through MyHome and SME Financing. All digital touch points to our customers go through stringent security standards and tests before they are released.</i></p> <p><i>Similarly, any use of new technology would be thoroughly analysed for fit for use and security risks.</i></p>

### Response

*RHB has established a stringent process whereby before any digital channel is open to customer access, the system must meet the requirements set by the regulators and other relevant industry standards. The software development of the banking system shall follow strict secure coding practice to ensure that it is safe and there are no loopholes. Before the system goes live, RHB conducts numerous security tests by both internal and external cyber security experts to ensure the bank system is safe from both external and internal threats. Once the system is accessible to the customers, RHB continuously conducts tests to ensure the bank system is safe from external intrusions.*

*As far as blockchain technology is concerned, RHB does not have any plan to adopt it at the moment. RHB is aware that while blockchain technology is most popularly used for digital currency such as Bitcoin, Blockchain is also now being used in different sectors for safeguarding records.*

Shareholder's Name	Question
LEE MUN HOE	To elaborate oncoming digital transformation program

Response
<i>Digital enablers are embedded into the overall TWP24 program and continue to be the strategic tool to provide customer centric solutions.</i>

Shareholder's Name	Question
KOW LIH SHI	What could company implementation Chat GPT, AI as customer online services? Is have Safety for both parties among banking and client ?

Response
<p><i>RHB is currently still at an initial stage of exploring potential Generative AI use cases including ChatGPT. Any potential use cases will strictly adhere to existing rules and regulations, ensuring the privacy and safety of our customers.</i></p> <p><i>RHB is currently still at an initial stage of exploring potential Generative AI use cases including ChatGPT. Any potential use cases will strictly adhere to existing rules and regulations, ensuring the privacy and safety of our customers.</i></p>

### Response

*The adoption of AI in general and ChatGPT in particular may change the financial and banking industry for the better. Some of the potential usage of AI models include providing customised financial advice, targeted product recommendations and proactive fraud detection. AI may also be utilised to guide customers through onboarding, verifying their identity, setting up accounts and providing guidance on available products.*

*However, AI as a technology is still at an early stage. Adopting AI at this stage for customer online services will pose certain risks as the security of the technology is still unknown. Due to its free-to-use nature, there is no security obligation by the service provider to secure the information.*

*A good example is ChatGPT that was launched in November 2022 which managed to obtain 100 million users within three months. However, in April 2023, there was a vulnerability detected and hackers managed to exploit this vulnerability to download active users' information including user-ID, emails, contact number, payment info (credit card number) and others. ChatGPT was later brought down to address this vulnerability.*

*As such, the Bank will be very cautious and on exploratory mode in adopting AI at this juncture as we value highly on customer confidentiality.*

Shareholder's Name	Question
EE YIH CHIN	<p>Recently there have been a number of M&amp;A in the Malaysian general insurance markets, including insurers under Affin and AmBank Group.</p> <p>Given that RHB Insurance is only a mid size player, how will it fare in a consolidated market?</p> <p>Does the Group actively look into any M&amp;A opportunities?</p>

**Response**

*Our main focus under TWP24 Strategy is to grow the business organically.*

*We are not currently looking for M&A opportunities. However, we will evaluate and assess if an opportunity arises.*

*The Group will continue to assess and explore ways to unlock the insurance value proposition, driving quality growth through carefully considered segmentation and expansion, with focus on the Retail/SME segments. The company will continue to invest and build digital capability for better delivery of its products and customer experience and synergy within bank customer base.*

Shareholder's Name	Question
EE YIH CHIN	<p>Can management quantify the impacts of "stiff pricing competition in the fire and motor segments arising from the liberalisation of tariff" (page 121)?</p> <p>Being a mid size general insurer, how does RHB Insurance compare against larger players which seemingly have better knowledge and experience in pricing risks?</p>

**Response**

*Stiff competition arising from phased liberalisation will reduce the gross written premium and subsequently potential profit margin if insurers do not react appropriately. For FY2023, the management estimated a 3% to 5% reduction in gross written premium purely due to the business environmental change. Nevertheless, the management has devised action plans specifically to cushion this impact in order to ensure minimal impact to the business performance.*

*Though the larger general insurer seemingly has better knowledge and experience in pricing, being a mid-size general insurer actually provides an edge over large insurer as we are able to be more flexible in maneuvering the environment of uncertainty and target niche profitable segment more effectively.*



Shareholder's Name	Question
CHEW HEM POO @ CHOY NEAN CHIN	<p>Mr. Chairman, I note that RHB Bank Bhd , its subsidiary RHB Insurance Bhd does not provide Home Safeguard Insurance Policy for RHB Bank housing loan customers. The main attraction of this Home Safeguard Insurance Policy is the insurance premium cheaper by 30% by using Building Cost Calculator developed by Persatuan Insurans Am Malaysia (PIAM) for the benefits of insurers in comparison with Houseowner Insurance Policy but the insurance coverage is almost identical. As a result, your new &amp; existing housing loan customers who wish to opt for Home Safeguard Insurance Policy in preference of Houseowner Insurance Policy will face the dilemma. As a shareholder &amp; for the interest of RHB Banking Group, it is vital to be competitive to have a comprehensive insurance package for their customers. In this respect, will the Chairman please deliberate the matter at the forthcoming AGM &amp; whether Home Safeguard Insurance Policy will be introduced thereafter by RHB Insurance Bhd for the benefit of their customers. Thank you.</p>

## Response

*We thank you for your question and interest in the home protection product of RHB insurance.*

*We take note that Home Safeguard is a Fire Insurance product offered by a friendly competitor.*

*RHB Insurance has distinctive and innovative products that cater for the specific needs of our valuable customers, including liberalised Fire Insurance product that is priced competitively up to 30% from the tariff premium.*

*Houseowner Plus on the other hand is specially curated exclusively for RHB Bank customers, bringing unrivalled Emergency Home Service (EHS) to our customers. EHS is available for our customers in the event of:*

- *Emergency Plumbing dysfunction*
- *Emergency Electrical dysfunction*
- *Emergency Locksmith assistance*
- *Emergency Pest Control assistance*

## Response

*Besides EHS, the Houseowner Plus coverage are more extensive which includes:*

- *Windstorm Damage coverage for outdoor fixtures & fittings*
- *Damage by Falling Trees*
- *Riot Strike Malicious Damage*
- *Repair of Bursting Pipe up to RM2k*
- *Domestic Help Allowance up to RM200*
- *Inconvenience Allowance up to RM1k due to property damage by fire & explosion*

Shareholder's Name	Question
LOO YEO MING	Datuk Chairman and BOD, Please Please reconsider giving door gift as Token of appreciation as MBB and CIMB will be giving TNGo of RM50 per shareholder. Could you delight your loyal and long time investor?
TAN SIAN HOO	A very good morning to BOD. It's been some years that a door gift/e-wallet were not rewarded to attendees. Hopefully this current AGM will be cheerful for participants. TQ
TAI PHOO SIEW @ THAY PHOO SIEW	Hi good morning to BOD. It's been some years that a door gift/e-wallet were not rewarded to attendees. hopefully this current AGM will be cheerful for participants. TQ
TAN CHAI HENG	
TAN TEE KHENG	Door gift?

Shareholder's Name	Question
LOH BOON SIONG	Any door gift like e-voucher to the shareholder?
STEPHEN LYE TUCK MENG	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ
CHEAH LEAN SEE	In appreciation for attending the AGM, a door gift would be much appreciated. Thanks
LEE MUN HOE	Please consider to provide meal or e-vouchers to those who participate in this virtual AGM. I am disappointed that management had cut down our compliments. Your kind consideration is much appreciated.

Shareholder's Name	Question
LEE MUN HOE	Kindly provide door gift to those who attend this virtual AGM. Together we achieve the pillar of ESG of the company.
LEE CHEW FOONG	Since our most respected Board of directors had decided not to give any door gift to shareholders who had given a lot of time, efforts, participation, contribution, involvement during the past 3 years AGM and also in this 2023 AGM, we as shareholders would like to propose that no directors fees and expenses should also be given to the Board of Directors for attending all the past and current AGMs. It is most important that shareholders be treated fairly and with utmost respect. Thank you very much for your kind assistance, understanding and support.
CHEW CHIN CHIN	Appreciate RHB bank to email e-voucher after the virtual AGM scheduled on 10 May 2023
TEE BENG HEE	Can the company please give us some e vouchers/e wallet for the time and effort we take to attend this RPV as a token of appreciation. Thank you.
LIM BA TAI @ LIM ENG KIM	

Shareholder's Name	Question
TEE BENG CHOO	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Thank you.
TEE BENG NGO	
CHEE TENG HO	

**Response**

*The Bank will not be providing any door gifts including e-vouchers to shareholders/proxies who participate remotely in the virtual 57th AGM this year.*

*This approach is also taken by other conglomerates which are moving towards rewarding the shareholders more substantively, for example via declaration of better dividends.*

*The Group has recently declared a second dividend of 25 sen per share, which will be made under the Dividend Reinvestment Plan, consisting of cash payout of 20 sen per share, and an electable portion of 5 sen per share. Total dividend payout for FY2022 is 40 sen per share.*

Shareholder's Name	Question
LEE MUN HOE	Face to face interactions is an integral part of the investor relation function to allow for direct engagement with the board members. Any plan to organize one to one shareholder engagement activity?
EE YIH CHIN	Please continue to offer virtual meeting option in future AGM/ EGM

Response
<p><i>Thank you for your feedbacks.</i></p> <p><i>We will consider the possibility of conducting a hybrid meeting in the future once we are assured with the technology needed to support a seamless, stable and secure large-scale meeting in hybrid mode.</i></p> <p><i>In the meantime, we will continue with virtual mode.</i></p>



Shareholder's Name	Question
STEPHEN LYE TUCK MENG	Dear Mr Chairman - Kindly do not use Boardroom services for RPV in future. The system is very lousy - it is not integrated and doesn't allow us to vote when the meeting starts unlike SSHSB or Tricor - We need to hunt for login details in our email and have to use a separate system (LUMI) just to attend the RPV. Many shareholders have voiced similar complaints. This has been reported to Boardroom Senior Mgmt but they refuse to listen and improve. Kindly use SSHSB or Tricor in future. TQ

Response
<i>Thank you for the feedback. We have strongly urged Boardroom to closely engage the shareholders on the concerns. Boardroom has since enabled the voting process to begin when the AGM starts. Please be assured that the shareholders concerns have been escalated to Boardroom for their resolution.</i>

Shareholder's Name	Question
LOH BOON SIONG	I would like to request for a printed annual report.
LOH BOON HING	

Response
<i>Kindly note that the printed annual reports were dispatched out to the shareholders on 3 May 2023.</i>

Shareholder's Name	Question
LEE MUN HOE	If all owned properties are green building certified

Response
<p><i>RHB own buildings are not currently green certified as RHB HQ Buildings were constructed in the 1990s and early 2000s, and for branches, the properties were purchased prior to 1990s. Nevertheless the Group has, over the years invested in upgrading the facilities as well equipment which includes adopting energy efficiency solutions with the aim of reducing the Group's greenhouse gas emissions. The on-going initiatives include upgrading to energy-efficient chillers, installation of solar panels, building control automation to optimise energy consumption as well as rain water harvesting etc., as part of our effort towards the goal of carbon neutral by 2030.</i></p>

Shareholder's Name	Question
LEE MUN HOE	Did the various compliant cost and ESG related framework affected bank profitability and day to day business operation?

Response
<p><i>Integrating ESG into our business and decision making process presents the Group with both immediate and long term benefits for the Group.</i></p> <p><i>By managing our internal operational carbon footprint the Group has achieved, and will continue to do so, operational cost savings through improvement on energy efficiencies and reduce consumption of resources. In terms of commercial opportunities, it provides us with business opportunities through sustainable financing and impact investment that supports the country's transition to a low carbon economy and drive sustainable transformation. As at December 2022 , the Group achieved approximately RM12.5 billion in Sustainable Financial Services, 42 % than our 2022 target.</i></p>

Shareholder's Name	Question
LEE MUN HOE	How about overall bonuses payout to the staffs as comparable to precedent year

Response
<i>Overall bonus payout for FY2022 is similar to previous financial years. RHB ensures that bonus payout is aligned with market practice as well as company's performance in respective performance years.</i>

Shareholder's Name	Question
LEE MUN HOE	To provide concrete evidence that staff productivity improves through digitalize initiative.

Response
<i>PBT per employee has shown an 11% improvement in 2022 compared to 2021, since we embarked on our Digital Transformation Program. Additionally, we have also automated 21% and 29% of our key processes in 2021 and 2022 respectively.</i>

The End

