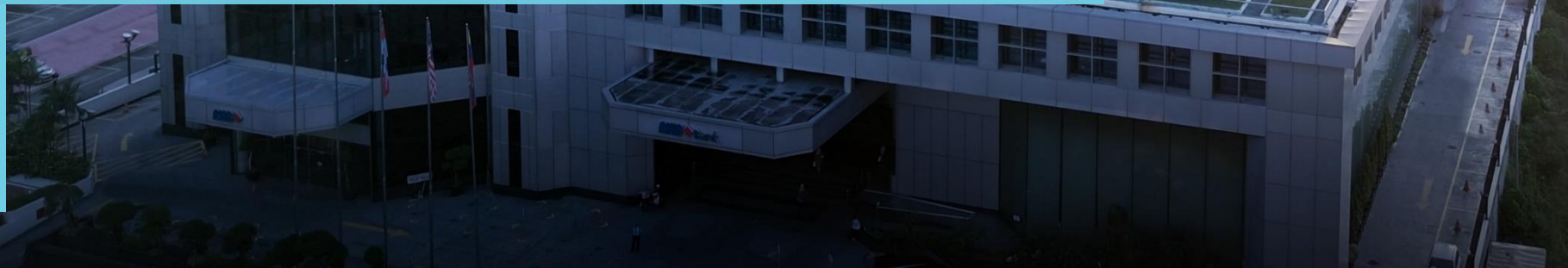


**RHB BANK BERHAD**

---

**56<sup>th</sup> ANNUAL GENERAL MEETING**

**Mohd Rashid Mohamad**  
**27<sup>th</sup> April 2022**



# Agenda

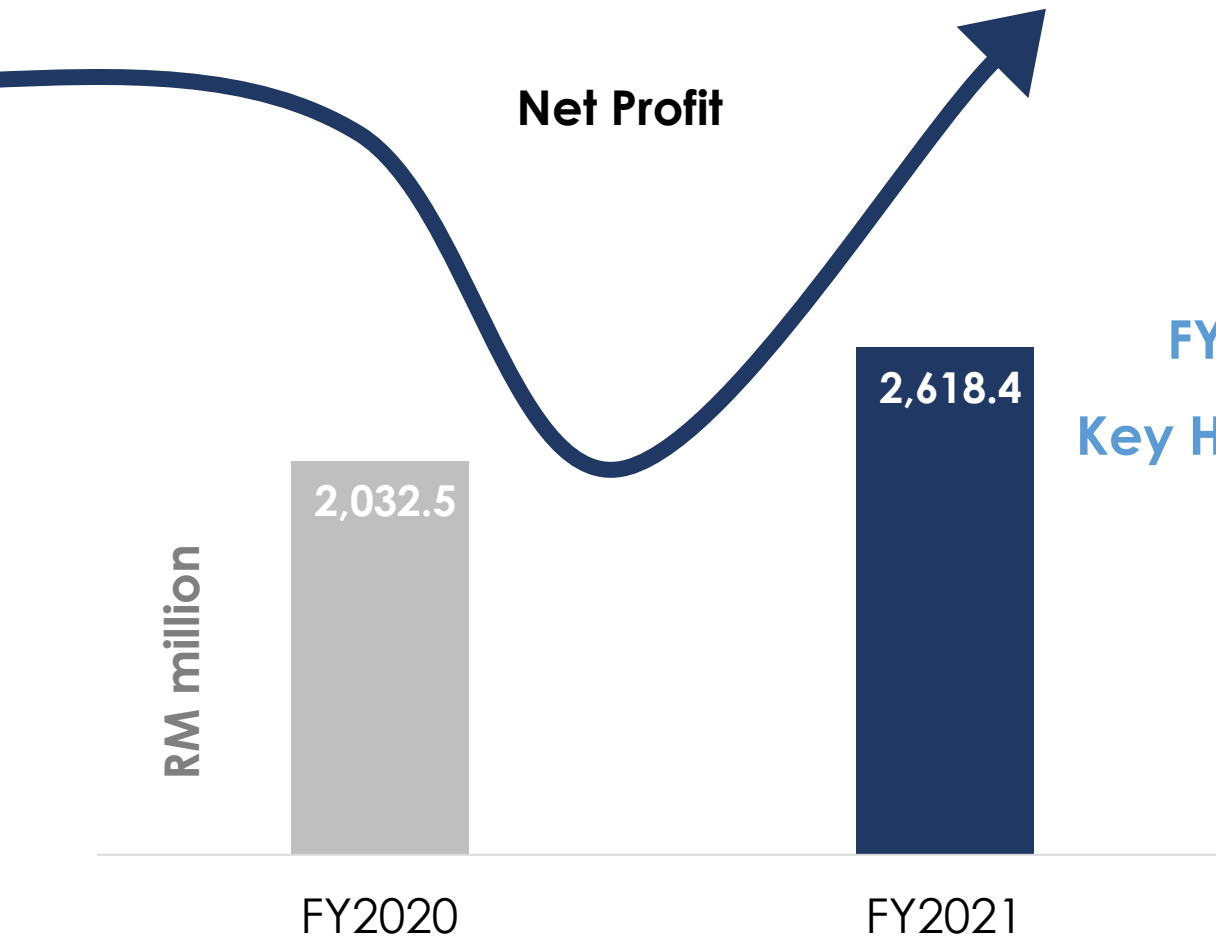
1. Key Highlights
2. FY2021 Performance Review
3. Strategy Update
4. Sustainability Update
5. CSR Initiatives Update
6. Dividend Reinvestment Plan (DRP)
7. Concluding Remarks



**Key Highlights**

RHB achieved a net profit of RM2.62 billion, grew 28.8% Y-o-Y which enabled the Bank to **create**

**value for its stakeholders**



## FY2021 Key Highlights

ROE at **9.6%**

**Maintained sound fundamentals** with strong capital and liquidity levels; asset quality on an improving trend with lower GIL and credit charge ratios

FY2021 dividend amounts to 40 sen per share with **highest ever payout ratio of 62.9%**

Continued to **strengthen ESG practices** into our business and operations

- Enhanced our risk management policies
- Established Group Climate Action Programme to align to the BNM Climate Change and Principle-based Taxonomy

Maintained employee engagement & **Enhanced customer satisfaction:**

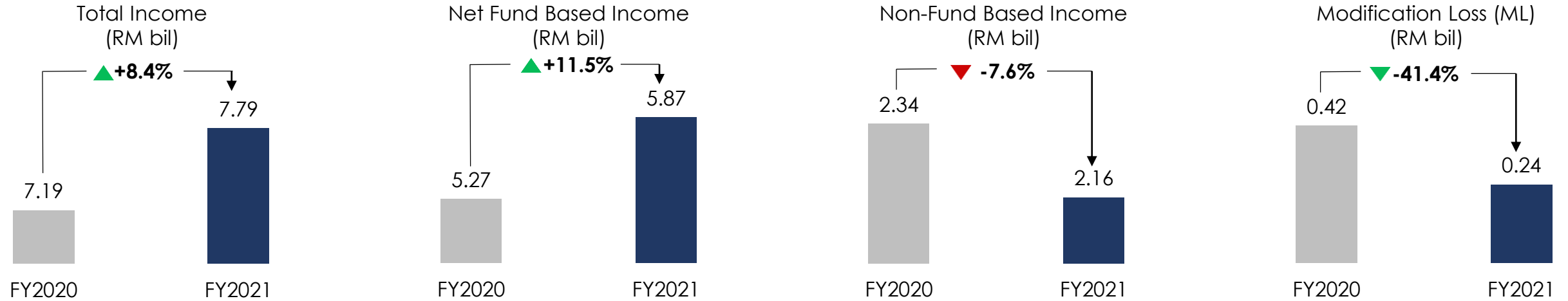
- Employee Engagement Survey (EES) score stood at 90%, at par with industry (2020: RHB 92%; Industry 89%)
- Higher Net Promoter Scores (NPS) at +15 in 2021 from +13 in 2020



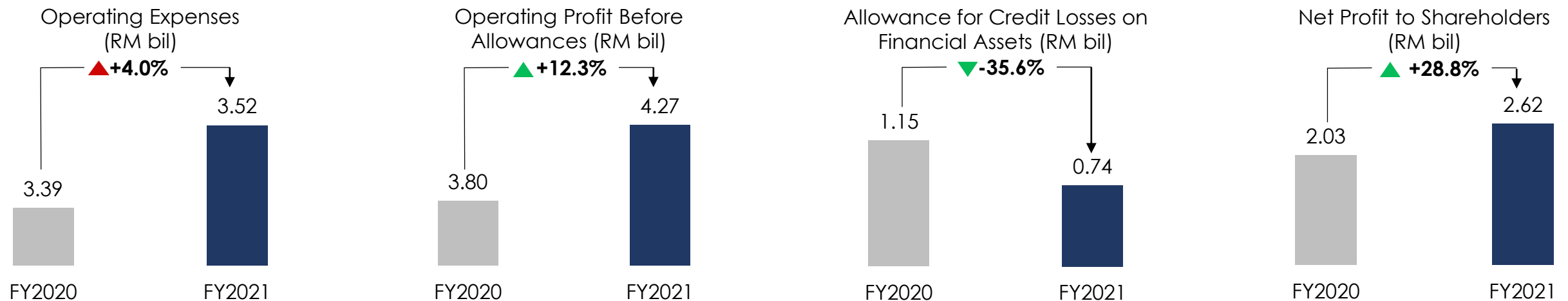
**FY2021 Performance Review**

RHB delivered a resilient FY2021 performance supported by higher net fund based income and lower ML and ECL

## 1 Improvement on Income

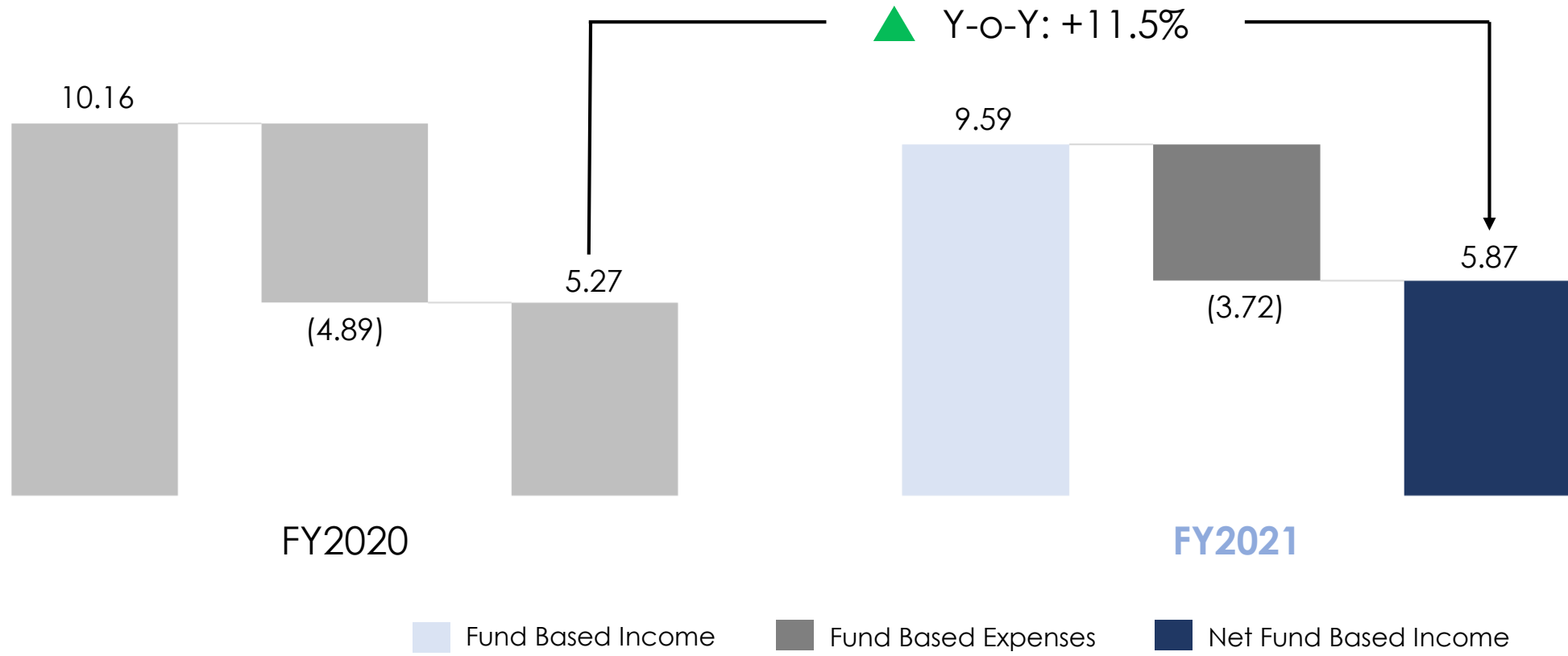


## 2 Better Returns to Shareholders



3 Net Fund-based Income

RM' bil

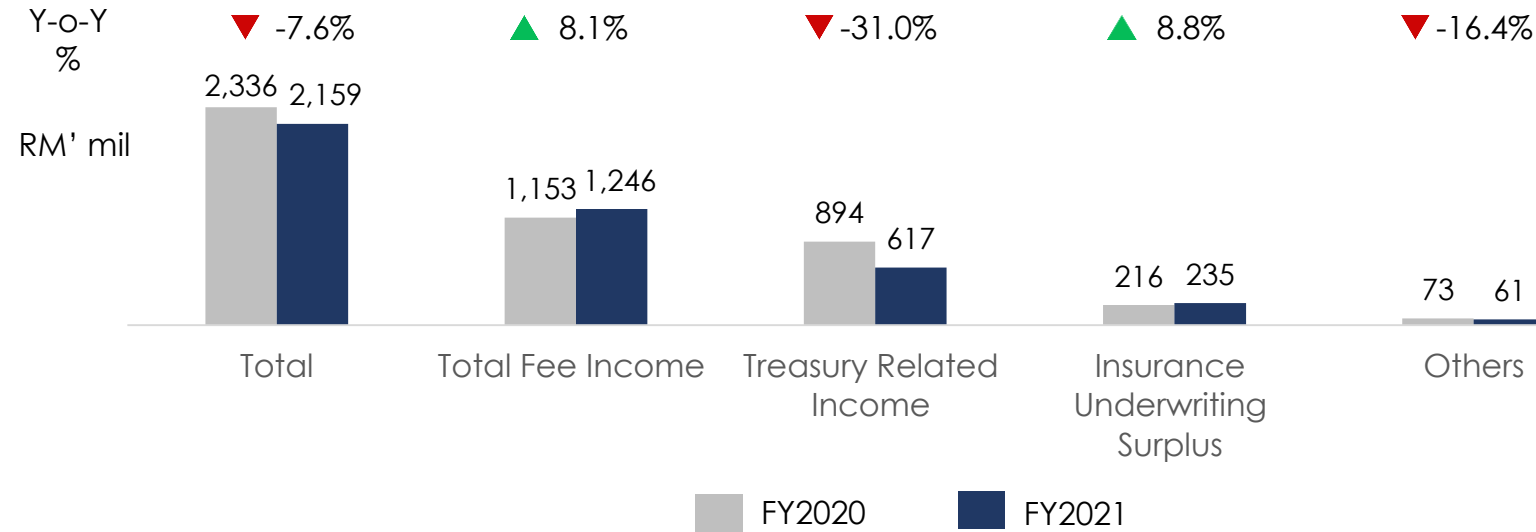


NIM :



Overall non-fund based income dipped 7.6% mainly due to lower net trading and investment income; However, customers fee related income grew 3.7% Y-o-Y

4 Non Fund-based Income



**+3.7%** growth in customers fee related income\*

**+8.1%** growth in Total Fee Income Y-o-Y of which:

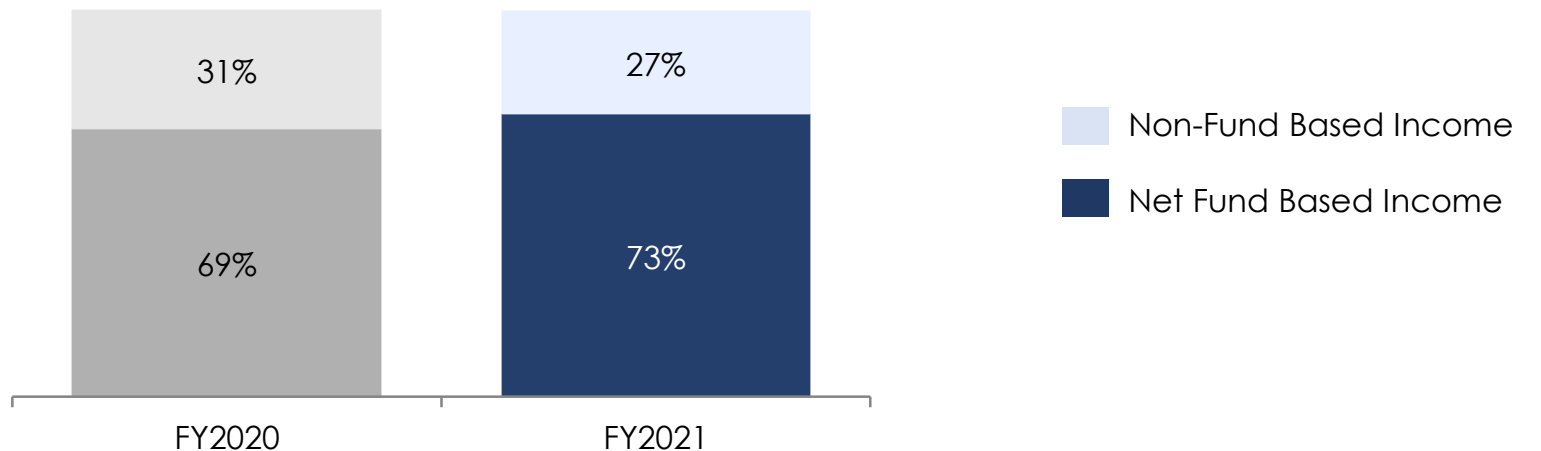


**-31.0%** decline in Treasury related income Y-o-Y of which:



\* Customers fee related income refers to total non-fund based income excluding gain & MTM on securities

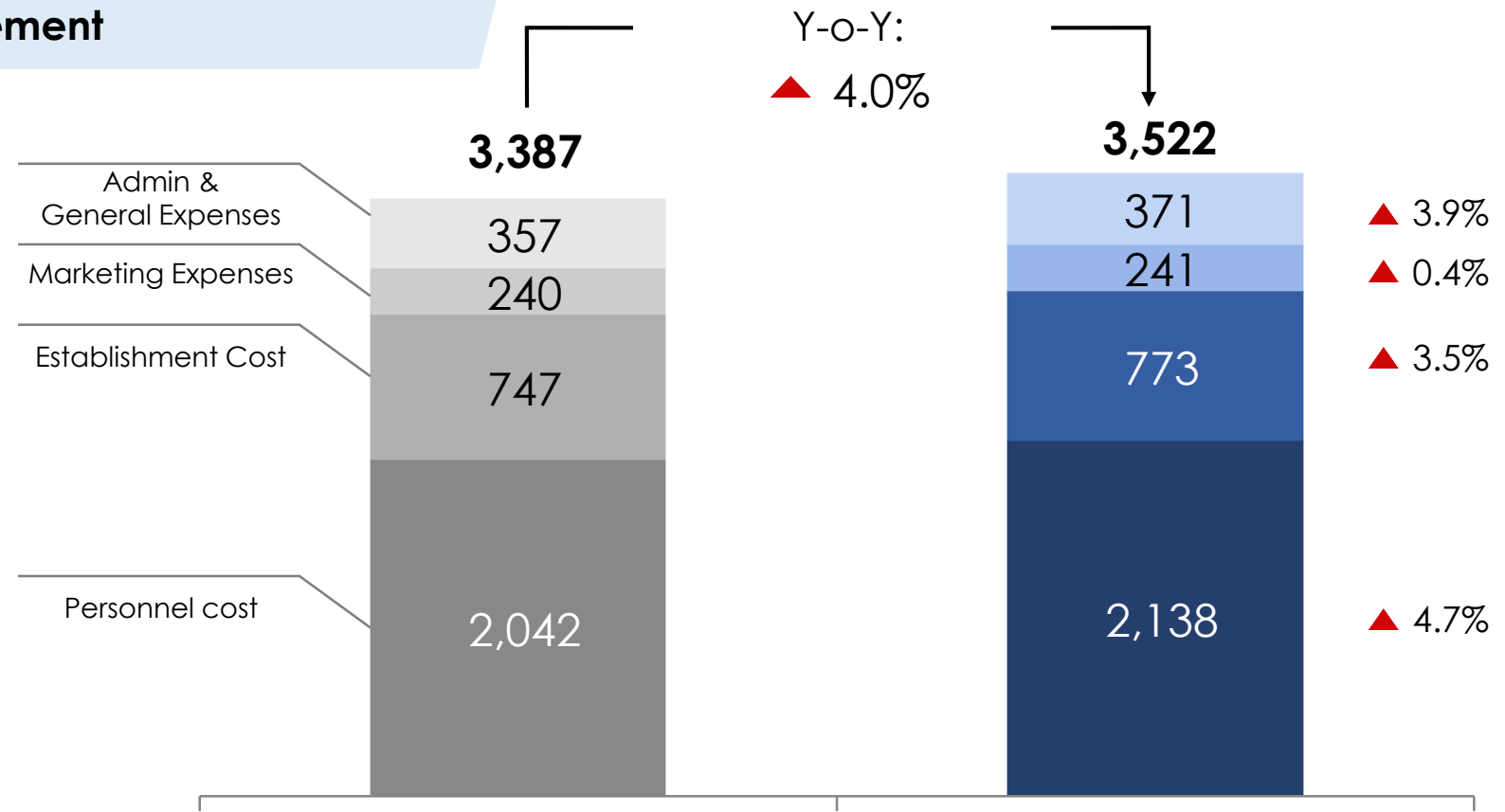
Percentage of Total Income (excluding ML) (%)





5 Cost Management

RM' mil

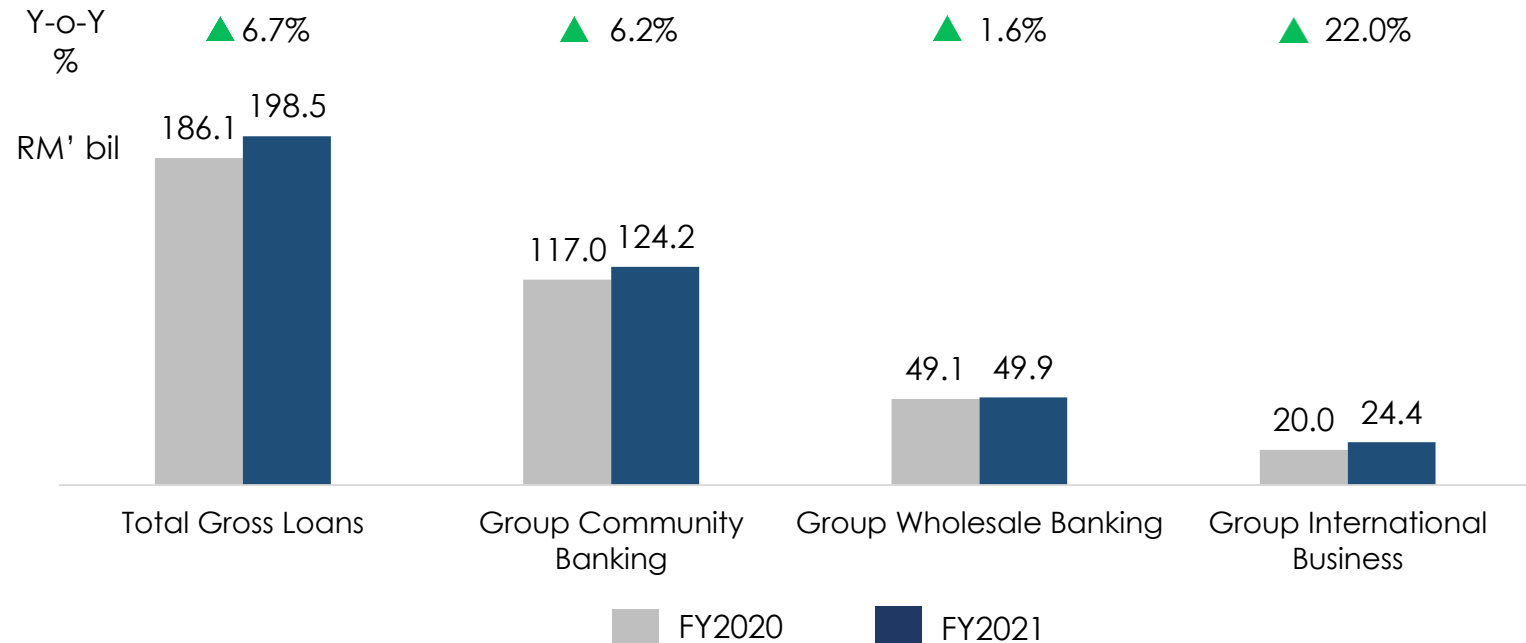


Cost-to-Income Ratio



**Group loans up 6.7% Y-o-Y led by mortgage, auto finance, SME, Commercial and Singapore; Portfolio rebalancing improved with higher Retail & SME composition: 59% (FY2017) vs 63% (FY2021)**

**6 Growth in Gross Loans**



**6.7%** growth in Total Gross Loans Y-o-Y of which:

**RM174.1 bil** are domestic loans

**6.2%** growth in Group Community Banking Loans Y-o-Y of which:

**8.1%** growth for mortgage

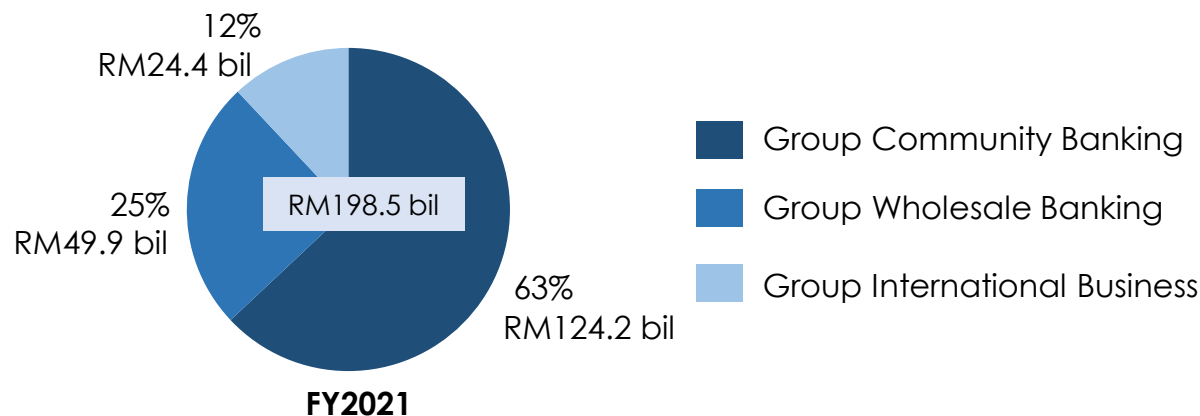
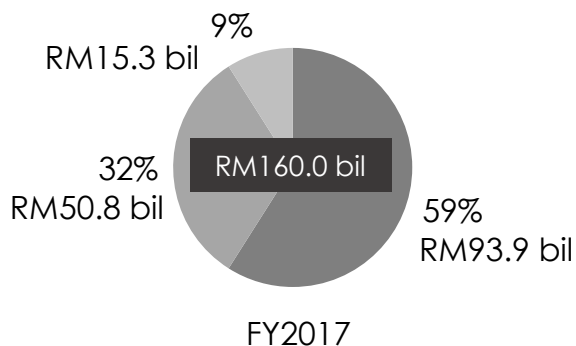
**4.3%** growth for auto finance

**11.2%** growth for SME

**22.0%** growth in Group International Business Loans Y-o-Y of which:

**24.9%** growth for Singapore

**7 Portfolio Rebalancing Improvement**



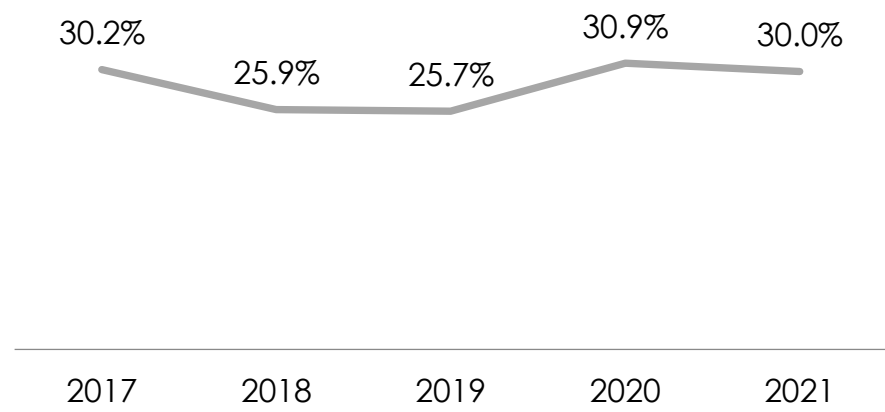
Total deposits grew by 7.5% Y-o-Y led by FD and CASA growth of 8.8% and 4.5% respectively; CASA ratio remained healthy at 30.0%

8 Growth in Deposits & Steady CASA Ratio

Customer Deposits

Deposits by Type (RM'bil)	FY2020	FY2021	Y-o-Y %
Fixed Deposits <sup>N1</sup>	140.7	153.1	+8.8% ▲
CASA	62.8	65.6	+4.5% ▲
Current Deposits	49.5	50.8	+2.6% ▲
Savings Deposits	13.3	14.8	+11.3% ▲
<b>Total Deposits</b>	<b>203.5</b>	<b>218.7</b>	<b>+7.5% ▲</b>
Loans to Deposits Ratio	91.5%	90.8%	-0.7%
Liquidity Coverage Ratio <sup>N2</sup>	146.9%	155.7%	+8.8%

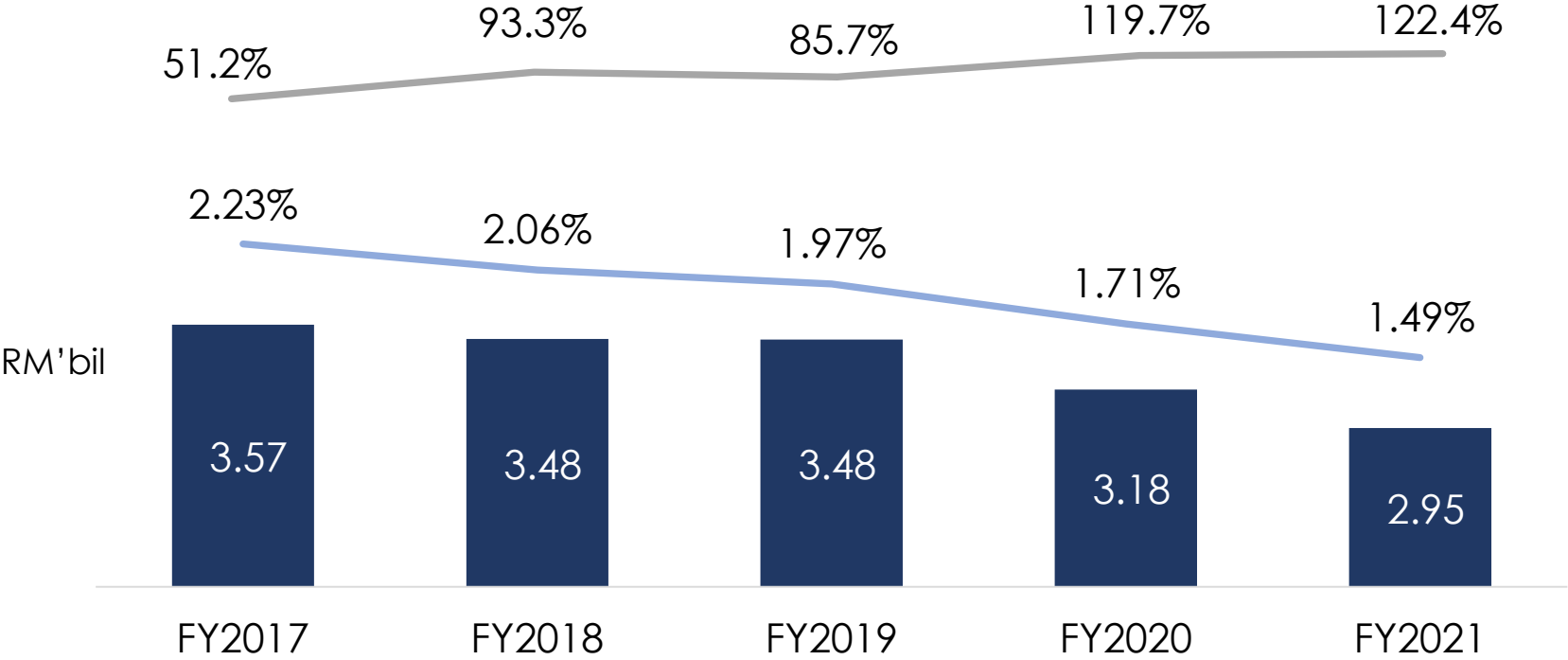
CASA Ratio



N1 Including investment deposits and MMTD  
 N2 Bank Consolidated Level (All Currencies)

9 Improved Credit Cost & GIL

Gross Impaired Loans

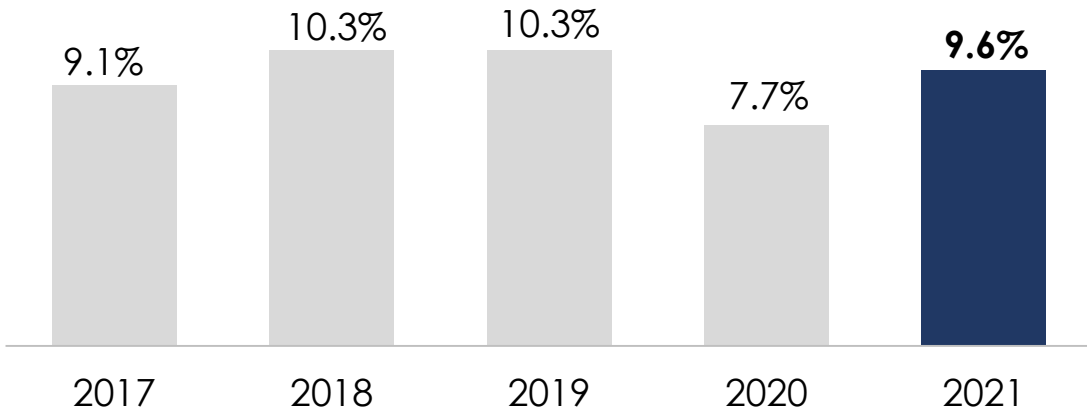


Credit Cost	FY2017	FY2018	FY2019	FY2020	FY2021
	0.26%	0.19%	0.18%	0.58%	0.29%

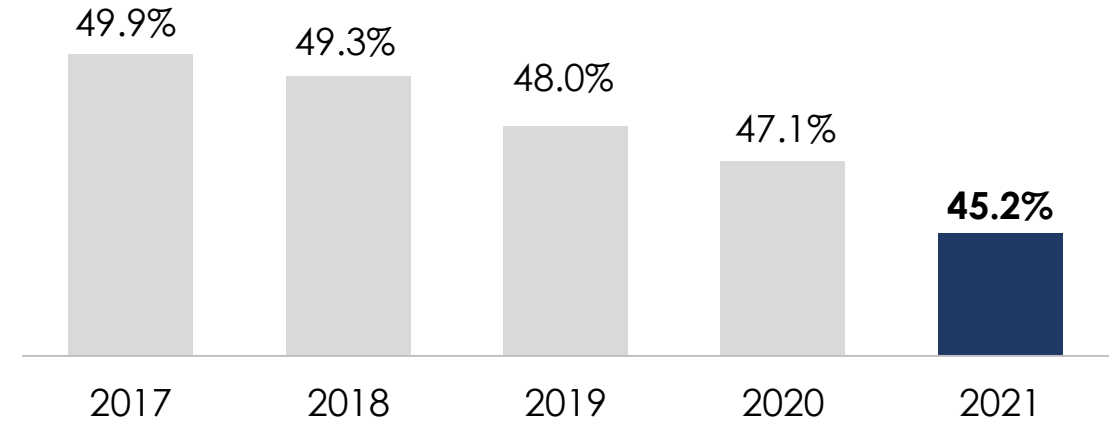
■ Impaired Loans  
— Impaired Loans Ratio  
— Loan Loss Coverage Ratio<sup>N1</sup>  
*N1: Excluding regulatory reserve*

10 Improved Fundamentals

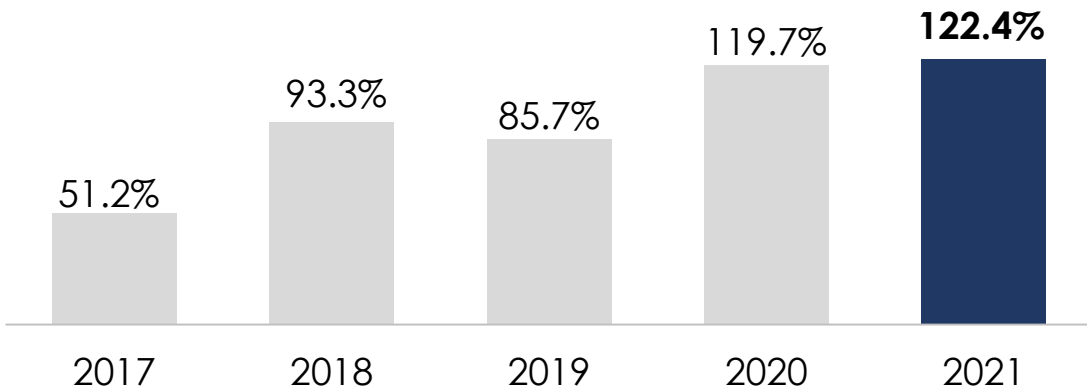
Return on Equity



Cost-to-Income Ratio

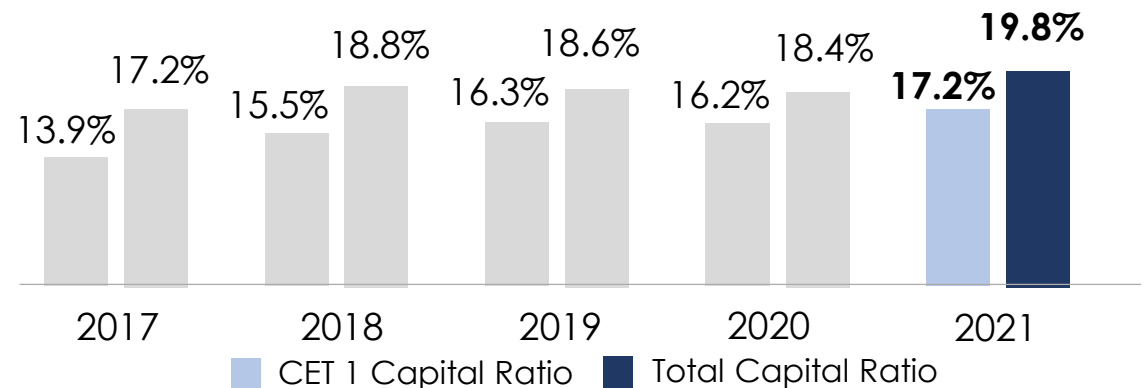


Loan Loss Coverage <sup>N1</sup>



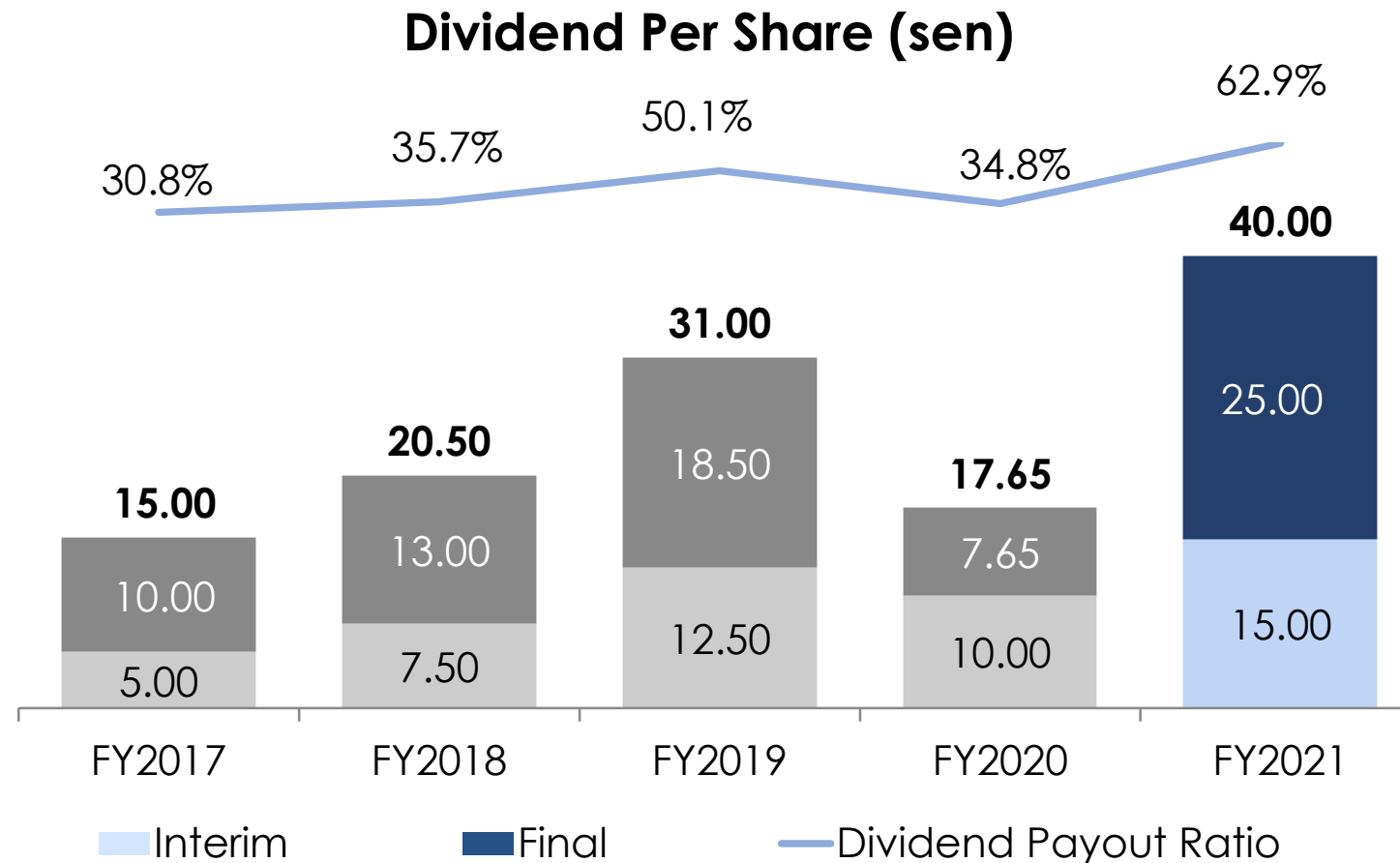
N1: Excluding regulatory reserve

Group Capital Ratios



■ CET 1 Capital Ratio ■ Total Capital Ratio

- The Board has proposed a **final cash dividend of 25 sen per share with 15 sen cash and 10 sen subject to DRP**. Together with the interim dividend paid, total dividend of 40 sen per share **represents 62.9% payout**, our highest ever payout





**Strategy Update**

## Fund our Journey

### Grow Affluent, leveraging on SME customer base

- **AUM of Premier customers +7.6%** to RM42.9 bil
- **Affluent fee income +34.0%** to RM211.4 mil

### Continue to win in the SME space

- **SME loans +11.2%** to RM24.5 bil, RSME +12.4%
- **SME e-Solutions** enhanced through API integration - **customers +41.3%** to 13.8k

### Increase share of wallet for Large Cap, Increase penetration into Mid Caps

- **Large Cap** share of wallet at **45.1%** (2020: 23.6%)
- **Mid Cap** penetration rate at **72.3%** (2020: 64.6%)

### Boost retail deposits

- **Deposits +8.1%** to RM72.1 bil (industry: +4.9%)

## Invest to Win

### Digital & Analytics

- **RHB MyHome App**: acceptance through app at **55.8%** (2020: 39.5%)
- **SME Online Financing**: total loans increased **+147%** to RM839.9 mil
- **Data analytics** brought in incremental benefits of **RM185.0 mil**
- **Modernising IT systems, digitising customer journeys**

## Transform the Organisation

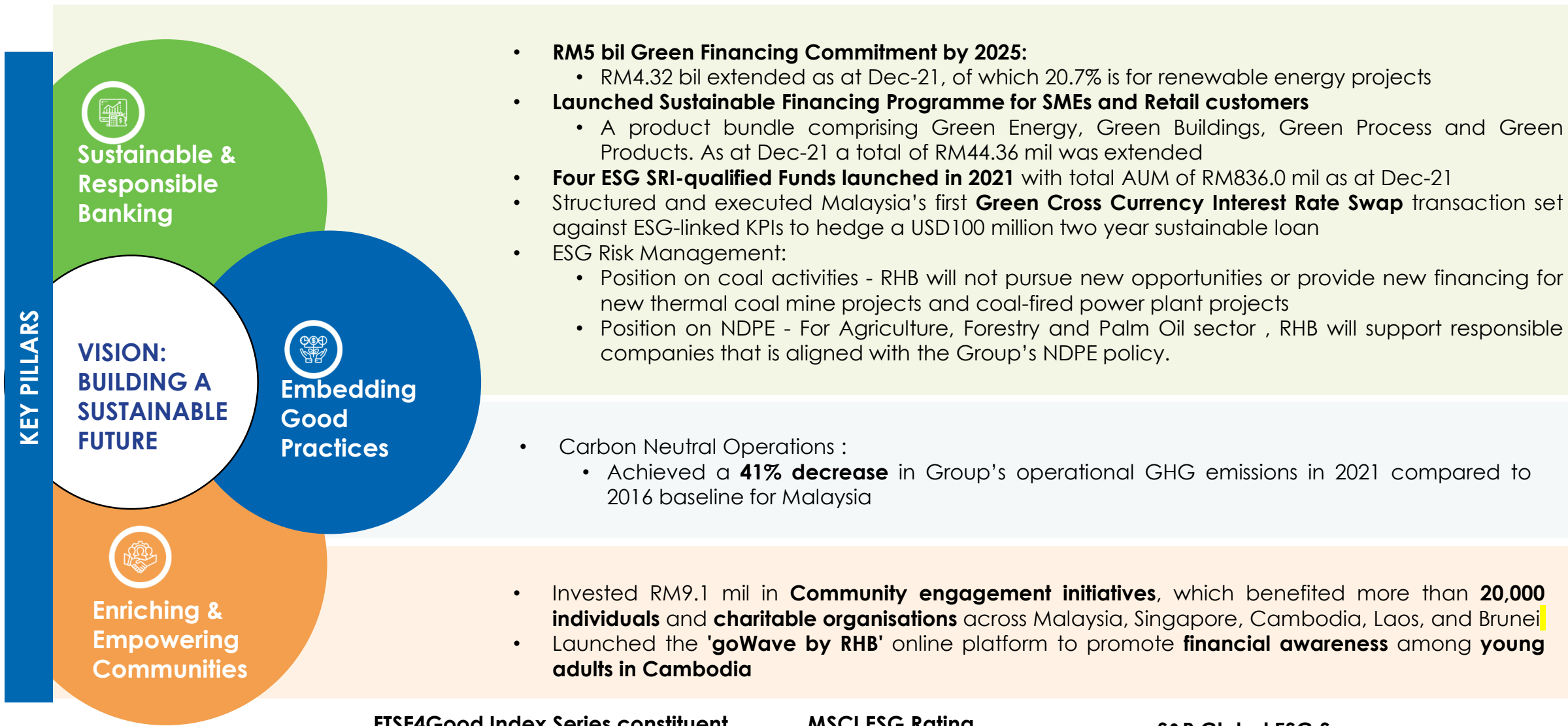
### Implement AGILE@Scale

- **11,518 employees** working under Agile (2020: 4,377)
- **36%** increase in **productivity improvement** in 2021
- **192 Minimum Viable Products** released in 2021
- Improved **NPS score to +15** in 2021 (2020: +13)



4

Sustainability Update



- **RM5 bil Green Financing Commitment by 2025:**
  - RM4.32 bil extended as at Dec-21, of which 20.7% is for renewable energy projects
- **Launched Sustainable Financing Programme for SMEs and Retail customers**
  - A product bundle comprising Green Energy, Green Buildings, Green Process and Green Products. As at Dec-21 a total of RM44.36 mil was extended
- **Four ESG SRI-qualified Funds launched in 2021** with total AUM of RM836.0 mil as at Dec-21
- Structured and executed Malaysia's first **Green Cross Currency Interest Rate Swap** transaction set against ESG-linked KPIs to hedge a USD100 million two year sustainable loan
- ESG Risk Management:
  - Position on coal activities - RHB will not pursue new opportunities or provide new financing for new thermal coal mine projects and coal-fired power plant projects
  - Position on NDPE - For Agriculture, Forestry and Palm Oil sector , RHB will support responsible companies that is aligned with the Group's NDPE policy.
- Carbon Neutral Operations :
  - Achieved a **41% decrease** in Group's operational GHG emissions in 2021 compared to 2016 baseline for Malaysia
- Invested RM9.1 mil in **Community engagement initiatives**, which benefited more than **20,000 individuals** and **charitable organisations** across Malaysia, Singapore, Cambodia, Laos, and Brunei
- Launched the '**goWave by RHB**' online platform to promote **financial awareness** among **young adults in Cambodia**

**ESG ACCOLADES & RECOGNITION**

**FTSE4Good Index Series constituent**

- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN5 Index
- FTSE4Good Emerging Index

**MSCI ESG Rating**

**AA**  
(Leader)  
2021: AA(Leader)  
2020: AA (Leader)  
2019: AA(Leader)

**S&P Global ESG Scores**

**47/100** 2021: 47/100  
2020: 43/100



## CSR Initiatives Update

# CSR and Humanitarian Initiatives (1/3)

Community engagement initiatives for those impacted by COVID-19 and the flood



**RHB'S COVID-19 Relief Fund**

**Contributed almost RM8.4 mil** since the beginning of the pandemic



**RHB'S COVID-19 Relief Fund**

Provision of medical equipment to selected **hospitals** and donations to **families**



**RHB Emergency and Disaster Relief**

Contributed **RM200k** and pledged **RM1 mil**



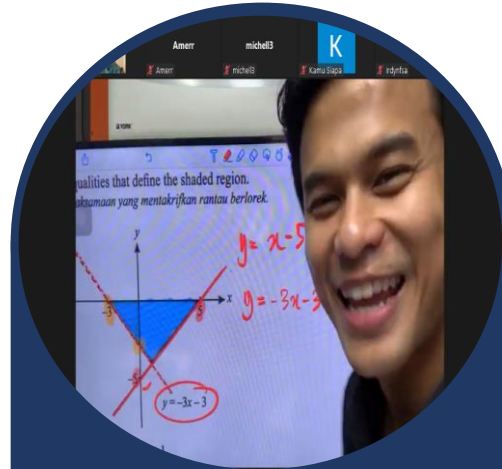
**RHB Emergency and Disaster Relief**

Helped **790 families** who were affected by the floods across the country

Nurturing the future generations through various academic excellence programmes for the youth



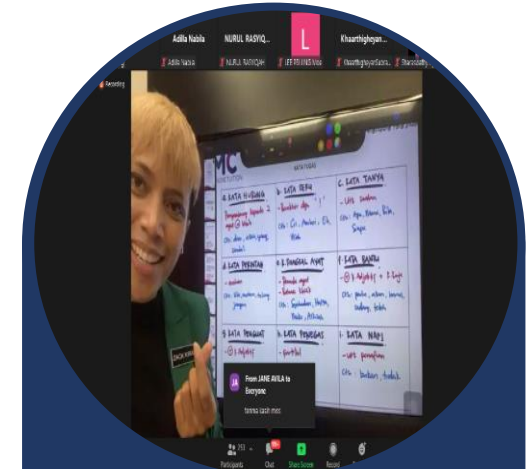
Championed financial literacy through the Money Ma\$ter Programme



Financial education series, which recorded more than 112,000 total engagements



Motivational Talk on tertiary education



Organised the SPM Readiness Workshops

### Other notable community enrichment programmes:

- **RHB X-Cel Academic Excellence** programme has benefited more than 4,000 underprivileged students from the B40 income segment across 40 schools since 2018
- Contributed **RM5 million for the CERDIK programme**, where we contributed digital devices to B40 students to support their online lessons and e-learnings during the pandemic
- Launched the '**goWave by RHB**' online platform to promote **financial awareness among young adults** in Cambodia



**Dividend  
Reinvestment Plan  
(DRP)**

# Sequence of Events for the Dividend Reinvestment Plan (“DRP”)

Proposed a **final dividend of 25 sen per share**, consisting of **cash payout of 15 sen per share** and an electable portion under the **DRP of 10 sen per share**. The timeline for the DRP is as follows:

Date	Key events
27 Apr 2022	56 <sup>th</sup> Annual General Meeting
28 Apr 2022	Announcement of fixing of Issue Price and entitlement date for the Final Dividend
17 May 2022	Ex-dividend date (Note: Price of RHB Bank shares will be adjusted for the Final Dividend)
18 May 2022	Entitlement date (for the Final Dividend)
20 May 2022	Despatch of Dividend Reinvestment Plan Statement, Notice of Election & Dividend Reinvestment Form
7 Jun 2022	Expiry date (i.e. last day by which an election made by Shareholder in relation to the DRP must be received by the Share Registrar)
16 Jun 2022	Issuance & allotment of DRP shares and payment of cash dividend to Shareholders
17 Jun 2022	Listing of DRP shares

*(Note: The above timeline is subject to Shareholders' approval for the issuance and allotment of DRP shares (Ordinary Resolution 9))*





**Concluding  
Remarks**

- The Group **exhibited resilience** as it navigated through challenges **amid continued uncertainty** in the operating environment
- Notwithstanding the expectation of economic recovery, the Group will **remain prudent and continue to monitor market development closely**
- Focus remains on further **embedding digital experience** into consumers' lifestyle and business needs through the **enhancement of holistic digital ecosystems**
- The Group will remain prudent in managing our asset quality while continuing to **enhance our governance and risk management practices**
- **Thank you shareholders for your faith and trust in us!**



# THANK YOU

[www.rhbgroup.com](http://www.rhbgroup.com)



This material is prepared for general circulation. Any recommendation or view contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific audience. The content furthermore is believed to be correct at the time of the issue of this document, and is not and should not be construed as an offer or a solicitation of any offer to buy or sell any securities. Nor does this document purport to contain all the information a prospective investor may require. Presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

