



EMPOWERING

Collective Progress



RHB Money Ma\$ter Programme advocates financial literacy among Malaysian students



RHB partners with Tenaga Nasional Berhad to promote and provide green solutions for SMEs and individuals

A COMMITMENT WOVEN INTO

The Fabric Of Everything We Do.



RHB Foundation empowers B40 students through the RHB X-Cel Star Scholarship Programme



RHB's Art with Heart shines the spotlight on emerging artists



RHB and Tenaga Nasional Berhad Kicked Off Nationwide SME Engagement Session on Energy Transition



RHB champions a healthier lifestyle through the RHB LEKAS Highway Ride 2023



The RHB Islamic team and DYTMs Syed Faizuddin Putra Ibnu Tuanku Syed Sirajuddin Jamalullail delivered the corporate zakat contributions to asnaf families in Perlis

Progress is about the lives we touch, the futures we shape, and the communities we strengthen together. It's about leaving a lasting, positive impact for generations to come.

**Together, we're not just making progress happen—
we're making it happen for everyone.**



RHB pledges zero-tolerance against bribery and corruption



RHB Clean-a-thon fosters sustainable practices in the community

Basis of This Report

We are pleased to present RHB Banking Group’s (“RHB”) Integrated Report 2023.

The aim of this report is to offer a balanced assessment of our value creation journey for our diverse stakeholders. It encompasses our material matters, business strategies, risk and capital management, corporate governance, and both financial and non-financial performance.

Through an integrated approach, we generate shared value for the present and future generations in line with our commitments to making progress happen to everyone.

The objective of this report is to convey relevant information to our stakeholders, enabling them to conduct a fair and comprehensive evaluation of our performance from the short to the long term. This includes meeting the need for greater transparency for the benefit of our investors, shareholders, and regulators and illustrating how we create sustainable value for our customers, employees, suppliers, and the wider community.



Scope and Boundary

RHB’s Integrated Report is produced on an annual basis. This report covers the timeframe from 1 January 2023 to 31 December 2023, except where indicated otherwise. This report includes an overview of all our operations and initiatives throughout the Association of Southeast Asian Nations (“ASEAN”) region. It details our strategies, business activities, performance, and the initiatives that affect all our key stakeholders.

Reporting Framework

Our Integrated Report is aligned with various frameworks and disclosure requirements, including:

- Integrated Reporting (“IR”) Framework
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”)
- Malaysian Code on Corporate Governance (“MCCG”)
- Bursa Malaysia Corporate Governance Guide (4th Edition)
- Companies Act 2016
- Malaysian Financial Reporting Standards (“MFRS”)
- Bank Negara Malaysia’s (“BNM”) Policy Documents and Guidelines
- International Financial Reporting Standards and other regulatory requirements, as applicable

For sustainability-related disclosures, our report is in line with key sustainability guidelines and standards, such as:

- Global Reporting Initiative (“GRI”) Standards
- Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition)
- United Nations Sustainable Development Goals (“UNSDGs”)
- Recommendations by the Task Force Climate-related Financial Disclosures (“TCFD”)
- Greenhouse Gas (“GHG”) Protocol: Corporate Accounting and Reporting Standard

Materiality and Material Matters

The content of this report is shaped by our key material matters, focusing on the risks, opportunities and outcomes that significantly affect our business operations and the creation of stakeholder value. These material issues, which are detailed on page 38, also play a key role in shaping our strategic development.

Basis of This Report

FORWARD-LOOKING STATEMENTS

This report includes certain forward-looking statements about our priorities, strategies and growth prospects in the future. These are founded on current forecasts and expectations, which are subject to change owing to factors outside our control. As a result, all such forward-looking statements should be considered provisional and have not undergone review by auditors or other pertinent independent parties. The basis for these forward-looking statements were conceived from our business strategies, economic forecasts and other relevant resources.

STATEMENT OF LEADERSHIP APPROVAL

The senior management team at RHB recognises its responsibility to ensure the integrity of this Integrated Report. The team believes that this report effectively addresses relevant issues that are material to the Group's capability in creating value.



Mohd Rashid Mohamad

Group Managing Director/Group Chief Executive Officer
RHB Banking Group

STATEMENT OF ASSURANCE

In strengthening the credibility of our sustainability disclosures, selected reported information disclosed in the Sustainability Report and the Sustainability Statement in RHB's Integrated Report 2023 have been subjected to independent limited assurance by PricewaterhouseCoopers PLT ("PwC") in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".

▲ For more information on the subject matter and scope of assurance, please refer to the Independent Limited Assurance Report on pages 267 to 271 of the RHB Sustainability Report 2023.

This marks the second consecutive year that the Group has subjected its Sustainability Report to independent assurance, underscoring our commitment towards providing credible and transparent disclosures. The Group has also expanded the scope of independent assurance for FY2023, as detailed in the Independent Limited Assurance Report on pages 267 to 271 of the RHB Sustainability Report 2023. Moving forward, the Group will continue to progressively expand the scope of its independent assurance, to align with industry best practices.

▲ Integrated Report ("IR")

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

▲ Financial Report ("FR")

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

▲ Sustainability Report ("SR")

This Report details the Group's approach to sustainability and efforts in creating sustainable value.

NAVIGATION ICONS

Our Capitals:

FC Financial Capital	MC Manufactured Capital
HC Human Capital	NC Natural Capital
IC Intellectual Capital	SRC Social and Relationship Capital

Our Stakeholders:

BD Board of Directors	SI Shareholders and Investors	SS Suppliers and Service Providers	RA Rating Agencies
CU Customers	RE Regulators	FI Financial Industry Peers	AN Analysts
EM Employees	CO Communities	BP Business Partners	ME Media

Key Risks:

CR Credit Risk	OR Operational Risk	SNC Shariah Non-Compliance Risk	RR Reputational Risk
MR Market Risk	TCR Technology and Cyber Risk	SR Sustainability Risk	CR Corruption Risk
LR Liquidity Risk	RNC Regulatory Non-Compliance Risk	IBR Interest Rate Risk in the Banking Book/ Rate of Return Risk in the Banking Book	

Material Matters:

GB Good Business Governance	DI Digitalisation and Investment in Technology	CC Climate Change	DO Diversity and Equal Opportunity
DC Data Protection and Cybersecurity	CX Customer Experience	ES Environmental Stewardship	CE Community Enrichment and Empowerment
SF Sustainable Financial Services	FC Fair Treatment of Financial Customers	T Talent	
FI Financial Inclusion	SC Sustainable Supply Chain	EHS Employee Health, Safety and Wellness	

58th

Annual General Meeting of RHB Bank Berhad



Venue

Meeting Room, Level 2, Tower One,
RHB Centre, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia



Date

Friday, 10 May 2024



Time

9.30 a.m.

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Online Integrated Report 2023
www.rhbgroup.com



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FORM OF PROXY



Attractive Investment Proposition



Financial Highlights

Total Income

RM7.8 billion

2022: RM8.2 billion

Net Profit

RM2.8 billion

2022: RM2.7 billion

Return on Equity

9.5%

2022: 9.6%

Total Assets

RM328.7 billion

2022: RM310.8 billion

Gross Loans

RM222.4 billion

2022: RM212.2 billion

Deposits from Customers

RM245.1 billion

2022: RM227.2 billion

Basic Earnings Per Share

65.7 sen

2022: 64.0 sen

Gross Impaired Loans Ratio

1.74%

2022: 1.55%

CASA Ratio

27.9%

2022: 29.2%

Attractive Investment Proposition

**Cost-To-Income Ratio**

47.5%

2022: 44.2%

Shareholders' Equity

RM30.9 billion

2022: RM28.7 billion

Total Capital Ratio

19.4%

2022: 19.3%

Sustainability Highlights**Cumulatively mobilised more than**

RM23.8 billion

in Sustainable Financial Services

Cumulatively granted

RM2.6 billion

through the SME Sustainable Financing Programme

Diversity and Equal Opportunity

33.9%*

of Top and Senior Management roles held by women.

Procured

RM582.3 million

in products and services from local suppliers

Carbon Neutral Operations

43.1% reduction

in operational GHG emissions against 2016 baseline

Invested close to

RM32.6 million

in employee training and development

Directed more than

RM4 million

towards community initiatives which impacted more than 50,000 people

Benefitted almost

3,000 secondary school students

via RHB X-Cel academic excellence programme

* This data has been externally assured.



**We Are Guided By
Our Purpose Statement...**

Making Progress Happen for Everyone



**To Live Our
Brand Promise Of...**

Together We Progress

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.

Our experience gives us an in-depth understanding of the needs of our customers and business partners, inspiring us to constantly innovate and improve to serve them better. With your continual support, we have established ourselves with a strong footprint throughout Malaysia and are in seven other countries across the ASEAN region offering commercial and investment banking services.

We hope our legacy and pursuit for excellence continues as we tirelessly cultivate and nurture the next generation through our actions and words, preparing them for a brighter future.

We thank you for believing in us and welcome everyone to join us on our exciting journey of progress. To realise our more significant potential, we must continue to work in unison as we move forward. Our brand promise, **Together We Progress**, honours our past, celebrates the present and welcomes the future.

We invite you to join us as we work towards a better and brighter future for all.



At the inaugural RHB #Empower & Neurodiversity@Work Achievement Ceremony in 2023



**To Create Positive Impact
Through Sustainability Pillars...**

To create positive impact through these sustainability pillars



**Sustainable and
Responsible Finance**



**Committed to Achieving
Net Zero by 2050**



**Embedding
Good Practices**



**Enriching and
Empowering Communities**

Who We Are



**Underpinned
By Our Values...**

- P** PROFESSIONAL
- R** RESPECT
- I** INTEGRITY
- D** DYNAMIC
- E** EXCELLENCE



**We Listen To The
Needs Of Our Stakeholders...**

Focused on growth and innovative solutions in approaching material risks

- | | |
|--------------------------------------|---|
| BD Board of Directors | SS Suppliers and Service Providers |
| CU Customers | FI Financial Industry Peers |
| EM Employees | BP Business Partners |
| SI Shareholders and Investors | RA Rating Agencies |
| RE Regulators | AN Analysts |
| CO Communities | ME Media |



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MALAYSIA

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 a dedicated team of employees.

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

Market Capitalisation

RM23.4 billion

Total Employees

13,968

Presence in

8 countries, including Malaysia 286 branches and offices

What We Do

OUR SEGMENTS

WHO WE ARE



GROUP COMMUNITY BANKING



Group Community Banking (“GCB”) comprises Group Retail Banking and SME Banking segments. We serve over 4.4 million individual clients and more than 210,000 businesses, offering a range of both conventional and Shariah-compliant consumer and SME banking solutions.

Our Retail Banking segment delivers consumer banking solutions, including Wealth Management, Bancassurance, Mortgage, Auto Financing, ASB Financing, Personal Financing, Credit Card Payments and Deposits, while our SME Banking segment offers business financing solutions tailored to SMEs and family-run businesses.



GROUP WHOLESALE BANKING



Group Wholesale Banking (“GWB”) encompasses several of RHB’s key business segments including Investment Banking, Corporate Banking, Commercial Banking, Treasury and Global Markets, Asset Management, and Transaction Banking. Supported by the RHB Research and Economics teams, GWB offers comprehensive and end-to-end services spanning various products and financing solutions as well as advisory to meet the needs of our clients in Malaysia and the wider region. Leveraging the combined expertise and potential synergies across our business segments, we facilitate our clients’ advancement while also unlocking new opportunities and fortifying our market presence.



GROUP INTERNATIONAL BUSINESS



Group International Business (“GIB”) manages RHB’s regional Commercial Banking operations, spanning five countries, namely Singapore, Cambodia, Thailand, Laos, and Brunei, and are supported closely by expertise from our Malaysian headquarters. GIB works toward the Group’s aspiration to build an integrated overseas business that leverages localised networks to serve the needs of our diverse customers and clients through our established presence. We offer solutions such as financing, deposits, wealth management, trade financing, premier banking, bancassurance and financing for small-and-medium enterprise (“SME”). We will continue to improve, stay relevant and competitive to our valued clients.



GROUP SHARIAH BUSINESS



RHB Islamic Bank is RHB Banking Group’s Shariah Business banking arm. It offers a wide range of Shariah-compliant financial services. We provide products and services for the retail, SME, corporate, and commercial business segments, wealth management as well as investment banking. We do this through our extensive customer touchpoints of RHB Islamic Bank and RHB Bank branches at over 200 locations across the country, in addition to the convenience provided by our Self-Service Terminals, and mobile and online banking platforms. We aspire to become a leading provider of value-based Shariah financial services in Malaysia, aligning with the Group’s **Together We Progress 2024** (“TWP24”)’s corporate strategy’s aspiration To Be Everyone’s Primary Bank.



GROUP INSURANCE



RHB Insurance provides a comprehensive range of general insurance and other products to our retail and corporate customers for better protection and peace of mind. Customers can easily and conveniently access our service and support through our network of 15 branches, over 751 Pos Malaysia branches and more than 2,200 authorised agent offices in Malaysia. We are among the Top 10 General Insurance providers in Malaysia for Fire, Personal Accident, and Motor.

What We Do

STRENGTHS AND DIFFERENTIATORS

- A leader in business banking, focusing on Small and Medium Enterprises (“SME”) with end-to-end digital onboarding capability for transaction and financing products across the various channels.
- Differentiated and disruptive client value propositions across Retail and SME client segment.

- Market leader in corporate loans and financing, transaction banking, fixed income distribution and underwriting, equity underwriting, merger and acquisition, call warrants and asset management.
- Personalised wholesale banking experience built on deep understanding and relationships with clients, as well as the capability to provide customer-centric and tailored bespoke solutions.
- Differentiated digital solutions such as digital onboarding capability, Reflex system with API connectivity, end-to-end digitised supply chain financing, and RHB Live FX with real-time FX rates.

- Provides comprehensive financial solutions supported by a localised, hyper-focused approach of target segments.
- Access to regional networking spanning five countries in the ASEAN region.

- Provides comprehensive Islamic financial services across the entire customer spectrum of retail, SME, corporate, commercial, and investment banking as well as wealth management.
- Provides products and services to essential sectors such as the government, healthcare and higher education.
- Upholds Value-Based Intermediation (“VBI”) principles and continue to fulfil our commitment to society.
- The only bank that fully supports and focuses on marine conservation efforts as outlined by the UN SDG14 “Life Below Water”, through our Ocean Harmoni initiative.

- Easy and convenient access to service and support through a network of 15 nationwide branches, as well as over 751 Pos Malaysia branches, with more than 2,200 authorised agents
- Strong rapport with strategic partners for comprehensive financial solutions

Our Performance

GROSS LOANS

Retail Banking

RM113.3
billion

SME Banking

RM27.6
billion

DEPOSITS FROM CUSTOMERS

Retail Banking

RM80.8
billion

SME Banking

RM34.2
billion

GROSS LOANS AND ASSETS

RM57.2 billion

DEPOSITS FROM CUSTOMERS

RM92.8 billion

GROSS LOANS

RM32.3 billion

DEPOSITS FROM CUSTOMERS

RM37.3 billion

GROSS FINANCING

RM84.0 billion

DEPOSITS FROM CUSTOMERS

RM82.2 billion

GROSS WRITTEN PREMIUM

RM869.2 million



Our Presence



Our Presence

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

Total Income 2023



RM6.8 billion

Services Offered

- Community Banking Business, consisting of Retail and SME Banking
- Wholesale Banking Business, consisting of Investment Banking, Corporate, Commercial, Treasury and Global Markets, Asset Management, Transaction Banking and Economics
- Shariah Business
- International Business
- Insurance Business

Employees

Branches/Offices

12,424

234

Total Income 2023



SGD220.3 million

Services Offered

- Retail Banking
- Corporate & Investment Banking
- Treasury

Employees

Branches/Offices

678

6

Total Income 2023



USD22.1 million

Services Offered

- Retail Banking
- Capital Markets
- Stockbroking

Employees

Branches/Offices

385

14

Total Income 2023



THB641.8 million

Services Offered

- Retail Banking
- Treasury
- Corporate Banking
- Capital Markets
- Stockbroking
- Derivatives

Employees

Branches/Offices

182

10

Total Income 2023



VND13.5 billion

Services Offered

- Stockbroking

Employees

Branches/Offices

24

2

RHB Securities Vietnam is in the midst of being divested, with the transaction anticipated to be completed in the second quarter of 2024.

Total Income 2023



IDR160.3 billion

Services Offered

- Capital Markets
- Stockbroking
- Derivatives

Employees

Branches/Offices

174

14

Total Income 2023



BND5.0 million

Services Offered

- Retail Banking

Employees

Branches/Offices

31

2

Total Income 2023



LAK50.7 billion

Services Offered

- Retail Banking

Employees

Branches/Offices

70

4

Group Corporate Structure

as at 29 February 2024

RHB BANK BERHAD

100% RHB Islamic Bank Berhad

100% RHB Bank (L) Ltd

100% RHB Corporate Services Sdn Bhd⁽¹⁾

100% RHB Leasing Sdn Bhd

100% RHB Capital Nominees (Tempatan) Sdn Bhd

100% RHB Capital Nominees (Asing) Sdn Bhd

100% RHB Capital Properties Sdn Bhd

100% Utama Assets Sdn Bhd

100% RHB Bank Nominees Pte Ltd (Singapore)

100% Banfora Pte Ltd (Singapore)

100% RHB Investment Ltd (Singapore)⁽²⁾

100% UMBC Sdn Bhd*

100% RHB Delta Sdn Bhd⁽³⁾

100% RHB Bank (Cambodia) Plc

100% RHB Bank Lao Sole Co., Ltd

100% RHB Investment Bank Berhad

100% RHB International Investments Pte Ltd

100% RHB Asset Management Pte Ltd

100% RHB Hong Kong Limited⁽⁴⁾

100% RHB Securities Hong Kong Limited⁽⁴⁾

99% PT RHB Sekuritas Indonesia

99.95% RHB Securities (Thailand) Public Company Limited

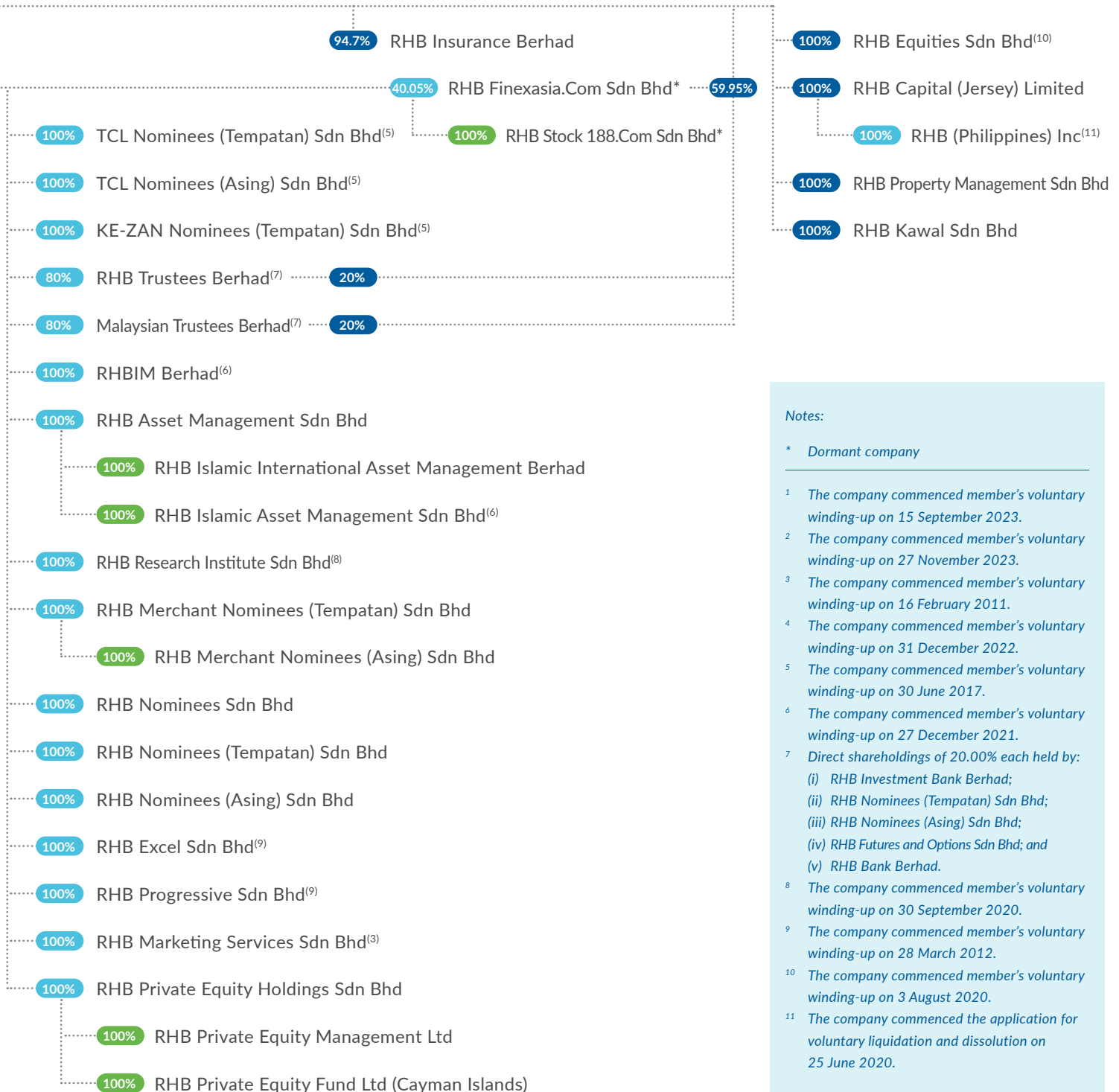
100% RHB Securities (Cambodia) Plc.

100% RHB Securities Vietnam Company Limited

100% RHB Futures and Options Sdn Bhd*

100% RHB Research Sdn Bhd⁽⁵⁾

100% RHB International Asset Management Sdn Bhd⁽⁶⁾

Group Corporate Structure
as at 29 February 2024



DEAR VALUED SHAREHOLDERS,

I am honoured to present the RHB Banking Group's Integrated Report 2023, which details insights into our 2023 journey, and reflects the significant achievements and learning experiences that have shaped our business and strategic direction. This Report highlights our financial performance, as well as our relentless pursuit of creating value for all our stakeholders, advancing our sustainability initiatives, empowering our people, and upholding the highest standards of governance.

**Tan Sri Ahmad Badri
Mohd Zahir**

Chairman

A Message From Our Chairman

OUR OPERATING ENVIRONMENT

2023's economic landscape has been notably challenging, marked by the ongoing impact of global challenges, evolving market demands, rapid technological advancements, and environmental concerns. The International Monetary Fund ("IMF") has projected global Gross Domestic Product ("GDP") growth at 3.1%, a moderation from the 3.5% achieved in 2022, while inflation remained elevated in 2023, albeit lower than the year before. Meanwhile, Malaysia's GDP expanded by 3.7% in 2023, which was slower than the 8.7% recorded in 2022 but remained well supported by robust domestic demand.

The confluence of macroeconomic events impacted RHB and the banking industry at large, leading to a deceleration in the growth of loans and an increase in the cost of funds. Despite these challenges, RHB stood resilient. We were able to weather the challenging times by maintaining healthy liquidity buffers and ensuring sound asset quality to deliver a resilient financial performance.

CONTINUED VALUE CREATION

In a year marked by both challenges and opportunities, the Group has demonstrated resilience, adaptability, and a forward-looking approach that underscores our commitment to creating value for our stakeholders, guided by our *Together We Progress 2024* ("TWP24") corporate strategy.

Financial year 2023 financial performance, while solid, fell short of our ambitious plans. Although our net profit witnessed a growth of 4.8% year-on-year ("YoY") to RM2.8 billion, reflecting the resilience and dedication of our teams across the Group, we acknowledge that some Key Performance Indicators did not meet our expectations. This outcome serves as a poignant reminder of the volatile economic environment we operate in and the inherent challenges in predicting market dynamics.

The Group remains committed to rewarding its shareholders with consistent dividend payouts while continuously optimising capital utilisation for better returns. I am pleased to share that the Group has declared a second interim dividend of 25 sen per share, comprising a cash payout of 15 sen per share and an electable portion under the Dividend Reinvestment Plan of 10 sen per share. The total dividend for FY2023 amounted to 40 sen per share, translating to a payout ratio of 61.1% and a dividend yield of 7.3%.

In the face of financial challenges, our commitment to a customer-centric culture has remained unwavering and has also propelled us to new heights, with our Net Promoter Score ("NPS") ranking improving to #2 among banks in Malaysia. This achievement is particularly pronounced in our SME segment and is a testament to our commitment to service excellence. We believe that understanding and meeting the evolving needs of our customers is the cornerstone of sustainable growth.

Our drive towards digitalisation continues unabated, with significant investments allocated to digital innovation as a critical driver of our future growth. These investments are not only about improving our business and operational processes but also about exploring new business models that can provide us with a competitive edge. One example of this is the RHB MyHome app that is now a key platform on which over 40% of our mortgages originates.

Highlights

Gross Loans

grew 4.8% YoY to
RM222.4 billion

mainly supported by Group Community Banking
and Singapore growth

Deposits From Customers

grew 7.9% YoY to
RM245.1 billion

Return on Equity

was at 9.5%

A Message From Our Chairman

ADVANCING OUR SUSTAINABILITY JOURNEY

Guided by our 5-Year (2022-2026) Sustainability Strategy and Roadmap, RHB continues to contribute positively to the broader Environmental, Social and Governance (“ESG”) agenda.

During the year under review, we made significant strides in our sustainability journey, embedding sustainable practices into our operations and decision-making processes. This year, we are proud to announce a significant milestone in our sustainability efforts - the formalisation of our Net Zero Commitment through our Group Climate Action Programme (“GCAP”). This ambitious initiative aligns our business operations and value chain with the global imperative to combat climate change, ensuring our business activities contribute to a low-carbon economy.

As part of our efforts towards greater transparency, we have further aligned our climate disclosure with the requirements of the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations. These initiatives reflect RHB's ongoing dedication to sustainability and responsible banking, emphasising the strategic importance of climate-related considerations in ensuring long-term resilience and value creation. As part of this process, we enhanced our sustainability reporting in 2023 to provide stakeholders with a more precise and comprehensive view of the Group's sustainability performance and initiatives.

► SUSTAINABILITY GOVERNANCE

The Cornerstone of our Sustainability Efforts

We believe that effective governance is critical to achieving our sustainability objectives. We have established a comprehensive sustainability governance structure to ensure accountability, facilitate transparent decision-making, and rigorously oversee our sustainability material matters.

At the top of our governance structure is the Board of Directors (“Board”) and a dedicated Board Sustainability Committee (“BSC”). The Board of Directors is the highest governing body in providing strategic direction and oversight of the Group's Sustainability Strategy and Roadmap, including climate-related strategy. The BSC is responsible for facilitating the Board's oversight of integrating sustainability and climate-related considerations into the Group's strategy and decision-making processes. The BSC's role includes overseeing the Group's sustainability and climate-related strategy, setting goals, reviewing progress and monitoring material ESG matters across business strategies, operations, and decision-making processes, ensuring alignment with the Group's overall business objectives. The BSC works closely with the Board Risk Committee (“BRC”), Board Nominating & Remuneration Committee (“BNRC”), and Board Audit Committee (“BAC”) in providing oversight on the relevant areas of sustainability and climate-related matters.

At the Management-level, the Group Sustainability Committee (“GSC”), chaired by the Group Managing Director, strategically drives the effective execution of the Group's sustainability and climate agenda, aligned with the Group's Sustainability Strategy and Roadmap. The Group's Chief Sustainability and Communications Officer (“GCSCO”) spearheads the execution of the Group's sustainability strategy and focus areas. This includes close collaboration with Group Climate Risk Management in executing GCAP.

To support the GSC, the Group has established two Sustainability Councils, namely the Sustainable Business Council (“SBC”) and the Responsible and Sustainable Practices Council (“RSPC”). Comprising key representatives from Strategic Business Groups and Strategic Functional Groups, the Sustainability Councils aim to ensure the successful implementation of the Group's sustainability and climate-related initiatives. The Sustainability Councils are supported by a network of Sustainability Sponsors and Champions who are responsible for embedding sustainability practices in their respective business and functional areas.

A Message From Our Chairman

A key highlight of our journey this year has been our remarkable achievements in sustainable financial services. We have successfully integrated sustainability criteria into our financing mechanisms across all our business activities, leading to a significant milestone of exceeding our initial target of RM20 billion at RM23.8 billion for the period under review. The increasing demands for sustainable financial services affirmed our strategic direction and propelled us to increase our targets from RM20 billion to RM50 billion by 2026.

Recognising the importance of transparency and detailed insights, we invite you to delve deeper into our comprehensive Sustainability Report and Sustainability Statement, which thoroughly elaborate our sustainability efforts and achievements.

EMPOWERING OUR PEOPLE

Our employees are the bedrock of our success, and nurturing their talents and well-being is pivotal to our collective achievements. We have invested in developing a culture that values diversity, equity and inclusion providing our teams with the right tools, resources and opportunities to grow professionally and personally.

Women make up almost 40% of our management

and close to 60% of the overall RHB employee population.

Our commitment to fostering a supportive and engaging work environment has not only enhanced employee satisfaction to achieve 89% in our Employee Engagement Survey score for 2023 but also driven innovation and performance excellence across the Group. Among the new programmes we introduced to upskill and develop our employees include Sustainability and Climate Change-related programmes.

In 2023, we invested RM32.6 million in learning and development programmes; on average, each employee spent 22.46 hours in learning and development during the year.

GOVERNANCE

Governance remains a cornerstone of our business, underpinning our ability to deliver value and maintain trust with our stakeholders.

In 2023, RHB continued to strengthen its governance framework, ensuring its practices are aligned with the highest standards of integrity, transparency and accountability. We strengthened our Board composition to ensure that it continues to be well-balanced and that members can contribute positively to the growth of the Group. As a Board, we also strive to ensure that we remain in touch with the latest developments within the industry and that all members of the Board undergo the necessary training programmes to stay up-to-date with the latest industry and regulatory developments.

In line with our mandate, the Board continued to provide active oversight and support to management within its existing governance framework. The Board's active involvement for the year was centred around financial performance, strategy, governance, sustainability, risk and compliance, and people and culture.

▲ Activities carried out are detailed under the Corporate Governance Overview Statement on page 165 of this report.

A significant highlight of the year was RHB's hosting of its own 'Integrity Day', coinciding with National Integrity Month in November 2023. The Board of Directors and the Group Senior Management's involvement underscored our top-level commitment to a zero-tolerance policy towards bribery and corruption, aligning with RHB's Organisational Anti-Corruption Plan and the National Anti-Corruption Strategies. To reinforce our ethical stance, we held an 'Engagement Session with Suppliers for Integrity Strengthening', launched the Group Anti-Bribery & Corruption Handbook, and participated in the GLIC Integrity Day event, themed 'Sustaining Integrity Governance & Culture', in collaboration with Permodalan Nasional Berhad and the Employee Provident Fund focused on unifying efforts against corruption.

It was also a transitional year for the Board, with two women directors departing the Board in mid-year 2023. As part of our succession process, Puan Hijah Arifakh Othman was appointed to the Board as an Independent Non-Executive Director. To further strengthen the representation of women on the Board, Puan Nadzirah Abd Rashid was appointed on 15 March 2024 as an Independent Non-Executive Director. This move ensures our Board remains diverse and agile, reflecting our ongoing efforts to maintain gender diversity and inclusivity at the governance level.

A Message From Our Chairman



Outlook

Going forward, our outlook is shaped by a deep understanding of the challenges and opportunities that lie ahead.

RHB stands ready to adapt and thrive amidst the complexities of moderating growth, inflationary challenges, and geopolitical uncertainties. We remain focused on our digital transformation and a deep commitment to sustainability, recognising these pivotal themes as trends and integral components of our operational and strategic blueprint for the future. Our agility, innovation and commitment to excellence position us well to capitalise on opportunities and navigate the uncertainties of the future, strengthening our resilience in an ever-changing global market.

Acknowledgements

As we reflect on the past year's journey and look ahead to the opportunities and challenges that lie before us, I would like to take this opportunity to express my deepest and profound gratitude to those who have been instrumental in our journey and success.

To my fellow Board members,

Thank you for your invaluable insights, guidance and unwavering dedication. Your collective wisdom, strategic foresight, and diverse perspectives have steered RHB towards sustainable growth and ensured that we remain at the forefront of innovation and excellence in the banking sector.

To our shareholders,

Your trust and belief in our vision fuel our drive to achieve our strategic objectives. We are committed to delivering on our promises, achieving shared goals, and enhancing shareholder value.

To our valued customers and business partners,

Your continued loyalty and partnership inspire us to push the boundaries of banking. Your feedback and engagement drive us towards continuous improvement and drive us to deliver superior value and service excellence.

Tan Sri Ahmad Badri Mohd Zahir
Chairman

A Message From Our Chairman



With the RHB team in Sabak Bernam, Selangor, where they planted over 530 mangrove trees along the Denai coast as part of the RHB Touch Heart initiative.

To our Group Senior Management Team,

led by our Group Managing Director/Group Chief Executive Officer,

I extend my sincere appreciation for your unwavering leadership, strategic insight, and relentless pursuit of operational excellence, which have been pivotal in navigating the year's challenges.

To all RHBians,

I thank you for your tireless efforts and perseverance in creating value for all our stakeholders. Together, let us continue to build a resilient and dynamic Group capable of overcoming challenges and seizing opportunities.

Lastly, our regulators,

Our profound appreciation to the Ministry of Finance, Bank Negara Malaysia, the Securities Commission, Bursa Malaysia, and all regulatory authorities within the countries where we operate for their guidance and oversight. Their commitment to fostering a stable and conducive regulatory landscape has shaped a fair, sustainable and thriving business environment, enabling us to operate effectively and meet the challenges, and opportunities as we move forward.

As Chairman of the Group, I stand inspired by the unity and strength of our Board members, shareholders, customers, business partners, senior management team, employees and regulators. There is no doubt that our collective journey is one of continuous learning, growth, and shared purpose. We have built a strong foundation for the future and, together, are poised to face the future with optimism, driven by our shared commitment to excellence, sustainability, and prosperity for all our stakeholders.



DEAR VALUED SHAREHOLDERS,

As we reflect on the Financial Year 2023, I am pleased to share that the RHB Banking Group (“RHB” or the “Group”) has demonstrated resilience, dedication, innovation, and an unwavering commitment to our core values. Despite the challenges of our operating environment marked by fluctuating economic landscape and evolving regulatory requirements, the Group has persevered, and remain steadfast in delivering value to our customers, shareholders and other key stakeholders.

**Mohd Rashid
Mohamad**

*Group Managing Director/Group Chief
Executive Officer*

From The Desk of Our Group Managing Director

OVERVIEW

This past year has been a period of solid learning and steadfast commitment for us. While our financial performance meets our realistic expectations, it reflects the need for renewed focus on strategic initiatives and operational efficiency, as well as the need for us to identify and capitalise on key growth areas under our **Together We Progress 2024** (“TWP24”) corporate strategy.

At its core, the TWP24 corporate strategy is designed to navigate the complexities of today’s business environment and meet the evolving needs of our customers, leveraging our strengths to achieve sustainable growth and enhance shareholder value.

Our execution plan focuses on enhancing business growth in the Affluent, Mass Affluent, small and medium enterprise (“SME”), as well as the Large-Cap and Mid-Cap segments, digital transformation and innovation, customer experience, and catalysing sustainability.

OUR OPERATING ENVIRONMENT

During the year under review, our operating environment has presented a landscape of both significant challenges and opportunities, reflecting the dynamic and evolving nature of the financial services sector. Against the backdrop of global economic uncertainty, geopolitical tensions, inflationary trends, and monetary policy shifts, the Group has navigated these with resilience and strategic oversight. We have learnt to navigate the evolving economic landscape and changes in regulatory expectations with a greater degree of foresight and flexibility. Regulatory changes and environmental considerations have also increasingly influenced our decision-making process, requiring us to intensify the integration of sustainable practices into our business and operations as well as adopt a higher standard of corporate governance. These experiences shaped the Group’s strategies, including our funding strategy, liquidity and capital requirement management, and risk

management processes and adapted our product offerings to meet changing customer needs. This prudent management was crucial in sustaining the Group’s growth momentum and financial stability.

FINANCIAL HIGHLIGHTS

I am pleased to share that the Group recorded a 4.8% year-on-year (“YoY”) increase in net profit to RM2.8 billion for the financial year ended 31 December 2023, supported by growth in non-fund based income and lower expected credit losses (“ECL”). While our financial performance has fallen short of our aspirations, it is important to recognise that the Group’s balance sheet position remained strong, with loans growth of 4.8% YoY to RM222.4 billion. Similarly, customer deposits improved 7.9% YoY to RM245.1 billion mainly driven by Group Community Banking and Singapore. We are committed to addressing areas requiring improvement, and I assure you that steps are being taken to enhance further our performance going forward.

STRATEGIC REVIEW

In 2023, the Group continued its transformative journey under the Group’s TWP24 corporate strategy, focusing on three core objectives: Be Everyone’s Primary Bank, Prioritise Customer Experience, and Drive Quality Growth. Each of these objectives was supported by specific initiatives aligned with our strategic goals and resonated with our commitment to sustainability, customer centricity, innovation, and technological advancement.

These strategic initiatives under the TWP24 corporate strategy have significantly contributed to the Group’s resilient performance in 2023. We do, however, acknowledge some challenges in executing the strategy, with volatile financial markets impacting investment appetite in the Wealth space and the de-tariffication of Fire and Motor insurance weighing on our underwriting profit. Nevertheless, our focus remains on enhancing customer experience, leveraging digital transformation, and embedding sustainable practices into our business and operations to position us firmly for future challenges and opportunities.

4.8% YoY increase in net profit to RM2.8 billion

From The Desk of Our Group Managing Director

► TWP24 GOAL



Be Everyone's Primary Bank

In the year under review, we implemented several key initiatives to bolster our aim in becoming the primary financial services provider.

This year, we:

- Empowered SMEs with RM450 million in working capital through our supplier and vendor financing programme.
- Built business resilience among SMEs through programmes, such as:
 - > #JomSapot BeliLokal
 - > #JomBiz for Micro SMEs
 - > RHB Islamic Bank's B40 Empowerment Strategy-Be Your Own Boss ("BEST-BYOB") business programmes for micro-entrepreneurs
 - > Portfolio Restructuring & Rescheduling programme
- Launched the RHB Rahmah Personal Accident Insurance, offering affordable protection to the B40 segment while driving financial inclusion among underprivileged communities.
- Launched Boost Bank, a digital bank joint venture between RHB and Axiata Group, to support greater financial inclusion.

+6.0%
Retail Loans

FY2023 vs. FY2022

+8.6%
Mortgage Loans

FY2023 vs. FY2022

+11.0%
Reflex Customers

FY2023 vs. FY2022

+4.9%
SME Loans

FY2023 vs. FY2022

+7.8%
Auto Financing

FY2023 vs. FY2022

+49.0%
Merchants

FY2023 vs. FY2022

From The Desk of Our Group Managing Director

▶ TWP24 GOAL



Prioritise Customer Experience

We continue to accelerate the deployment of intelligent banking services by employing cutting-edge technology to deliver the best customer experience.

This year, we:

- Migrated our “RHB Now” mobile and internet banking services to the new RHB Mobile Banking and RHB Online Banking platforms. In 2023, the number of RHB retail customers on our internet and mobile banking platforms increased by 44%, which is a testament to our successful digital proposition.
- Collaborated with Payments Network Malaysia (“PayNet”) to introduce the DuitNow QR Plug & Play sound box, enhancing payment security for consumers and merchants.
- Accelerated digital security enhancements and increased awareness of financial fraud to protect our customers.
- Achieved a Top 2 ranking in Net Promoter Score (“NPS”) among Malaysian banks in 2023 in an independent customer survey. The significant improvement in NPS across various sectors highlighted our success in enhancing customer experience.

Achieved strong digital channel penetration

- ~83% of transactions via digital channels
- Online mortgage origination of over 40%, via MyHome app

Enhanced customers’ digital experience

- Online banking customers grew to 2.5 million (+44% vs. FY2022)
- Continuously upgraded online banking features; e.g. customers can temporarily lock their credit/debit cards to better prevent fraud

Accelerated automation & system modernisation

- ~45% of key processes have been automated
- 62% of our systems are modernised

From The Desk of Our Group Managing Director

► TWP24 GOAL



Drive Quality Growth

The third objective, driving quality growth, was underpinned by our commitment to sustainability and Islamic financing.

This year, we:

- Achieved a cumulative mobilisation of over RM23.8 billion in sustainable financial services, surpassing our RM20 billion target three years ahead of schedule.
- Disbursed more than RM300 million in loans for green vehicles, demonstrating our commitment to sustainable practices.
- Launched Malaysia's first Shariah-compliant sustainable technology fund, the RHB i-Sustainable Future Technology Fund.
- Championed our social and environmental commitment through 43 projects in seven Southeast Asian countries through the RHB Touch Hearts initiative.

Sustainable Financial Services progressing well

- Achieved RM23.8 billion vs 5-Year RM20 billion target
- Building on this positive momentum, we have revised our target to RM50 billion by 2026

^{N1} Loans in Malaysian Ringgit

+2.8% Islamic Financing

FY2023 vs. FY2022

44.3% Islamic share

of domestic financing (FY2022: 44.6%)

+17.5%^{N1} Singapore Loans

FY2023 vs. FY2022

More than RM300 million

in loans for green vehicles

From The Desk of Our Group Managing Director

EMBRACING DIGITAL TRANSFORMATION

Advancing our digital transformation journey continued to be a cornerstone of our strategy. We recognise that at the heart of digital innovation lies the potential to not only enhance operational efficiency but more importantly, profoundly enrich our customers' banking experiences.

Our digital transformation journey is marked by significant advancements in our online banking and mobile banking platforms as well as payment experiences. During the year under review, we have also entered into strategic partnerships, each contributing to seamless, secure and enhanced service offerings.

We aim to deliver an online and mobile banking platform that is intuitive, comprehensive and accessible. We have embarked on a digital transformation journey, enhancing existing features as well as introducing new features designed to empower our customers with unparalleled control over their financial transactions. This resulted in substantial growth in RHB's online banking penetration, with a 15.3% YoY increase, bringing the overall penetration rate at 83%.

We also continued to promote financial accessibility and inclusion for the underserved and unbanked segments through the launch of Boost Bank, a digital bank consortium with our partner, Boost. Boost Bank offers a comprehensive range of financial products and services to support the unbanked and underserved by providing easy access to financial services, thus promoting inclusivity in the financial ecosystem.

Understanding that collaboration is key to innovation, we have forged strategic partnerships. For example, RHB has collaborated with various partners, such as OSK, EcoWorld, iMoney, MHub, and Didian Realtors, to revolutionise the home loan process of our highly rated HomeOwners' Asset Platform. These partnerships provided seamless integration for customers applying for home loans digitally, underscoring RHB's strategy to embed digital solutions into everyday banking needs.

In 2023, RHB expanded the offerings under its best-selling Multi-Currency Account Visa Debit Card/i, adding 16 new currencies

and bringing the total supported currencies to 33, which includes Ringgit Malaysia. This resulted in an impressive 22% YoY user base growth and a 45% YoY increase in spending in 2023.

Our journey of embracing digital transformation is ongoing and dynamic. This commitment to digital excellence underscores our promise to provide our customers with a banking experience that is secure, convenient, and uniquely tailored to their needs.

STRENGTHENING CYBERSECURITY

In an era where digital innovation defines our competitive edge, adopting a proactive stance on cybersecurity has been critical. We believe that a strong defence against cyber threats not only requires continued investment in cybersecurity measures but also empowering our employees and customers through education and awareness. To this end, we collaborated with the regulatory authorities and industry peers to launch a comprehensive nationwide awareness programme to equip all our stakeholders with the knowledge and tools to identify and prevent potential cyber threats.

We have also implemented critical measures to enhance online banking safety in line with regulatory expectations. This included a 12-hour cooling-off period for new online enrolments, a transition to in-app verification instead of the traditional SMS one-time passwords ("OTPs"), single device binding for secure transaction authentication, and introducing an emergency kill switch for online accounts at risk of fraud. We have embedded a multi-layered security strategy encompassing the latest on monitoring and threat detection technologies, as well as supplementing it with a robust fraud monitoring and detection system. This ensures the integrity and resilience of our operations and strengthens customer trust in our digital platforms.

CONTINUING OUR COMMITMENT TO CLIMATE ACTION

Addressing climate change is at the forefront of our strategic agenda, recognising it as one of the most critical challenges and opportunities of our time.

In this context, RHB's Group Climate Action Programme ("GCAP") launched in 2022, stands as a testament to the critical role that financial institutions play in driving meaningful environmental change. Integrating ESG principles into the core of our operations and decision-making processes ensures that our growth is responsible and contributes positively to society.

From The Desk of Our Group Managing Director

Our Group Climate Action Programme (“GCAP”) journey has been ambitious and transformative, set against the broader aim of fulfilling our commitment to achieve Net Zero by 2050. The GCAP has been instrumental in integrating climate-related considerations into our risk management processes and business strategy, enabling us to determine our long-term Net Zero by 2050 commitment. Meanwhile, we are vigorously pursuing Carbon-Neutral operations by 2030 to reduce our operational greenhouse gas (“GHG”) emissions and contribute our share to the global fight against climate change.

Under the GCAP, we have made steady progress in complying with Bank Negara Malaysia’s (“BNM”) Climate Risk Management and Scenario Analysis, and developed a comprehensive decarbonisation strategy for five high-impact sectors. To achieve this, we carried out in-depth and comprehensive assessment to determine

our financed emissions baseline covering all asset classes and calculated using the Partnership for Carbon Accounting Financials (“PCAF”) methodology, which resulted in the establishment of a financed emission baseline of 9.26 MTCO₂e as at December 2022. This significant milestone helps us shape the path forward for setting measurable targets, tracking the carbon intensity of our portfolio over time, and giving us insight into where we should focus our decarbonisation efforts.

We will continue to drive growth in green financing and support projects that facilitate the transition to renewable energy and low-carbon practices. We will also step up our efforts to support companies committed to carbon neutrality with a clear and established transition strategy. This proactive initiative will involve even more companies in transitioning to a low-carbon economy.

Outlook

As we chart our course forward, we aim to navigate the immediate challenges and embrace the opportunities that lie ahead.

Guided by the lessons of the past, we are poised to navigate the evolving landscape with strategic oversight and operational excellence. We will be intensifying our focus on expanding our market presence across key market segments, including Affluent, Mass Affluent, SME, Large-Cap and Mid-Cap segments. Looking ahead, our growth strategy is centred on understanding and fulfilling the unique needs of diverse markets and customer segments, through tailored products and services, as well as enhanced digital platforms, which will drive our market expansion and growth efforts.

The well-being of the communities we serve and the planet we inhabit is deeply connected to our future progress. Hence, we are dedicated to making a difference in sustainability within the financial services sector, embedding sustainable practices into our operations and decision-making processes, and creating a positive impact on our stakeholders.

As our TWP24 strategy approaches its final year, we reflect on our achievements and look forward to demonstrating our resilience and unwavering ability to deliver greater value to our shareholders, customers, employees and all our stakeholders.

From The Desk of Our Group Managing Director

Acknowledgements

As we reflect on the journey captured in this Integrated Report, it is with a deep sense of gratitude and pride that we acknowledge the invaluable contributions of everyone who has been part of our journey.

We extend our heartfelt thanks:

To our esteemed customers and business partners

Your trust and loyalty have been the bedrock of our achievements, guiding us through challenges and towards achieving our shared goals.

To our Valued Shareholders

Your confidence, faith and support in our vision and strategy have fuelled our journey towards sustainable growth.

To All RHBians

Your unwavering commitment, hard work and resilience have enabled us to meet our goals, deliver on our promises and Make Progress Happen for Everyone.

To our esteemed Chairman and Board of Directors

Your strategic vision, leadership, and commitment to the Group's vision and goals have been the compass that has guided us through challenging times. Under your stewardship, we have navigated the complexities of the financial landscape with agility and purpose, achieving the key milestones we have set.

To the Group Senior Management

Your collaborative spirit and leadership have been invaluable as we navigated the complexities of our industry, driving innovation and operational excellence at every turn.

We would also like to extend our deepest gratitude to the regulatory authorities in Malaysia and the countries where we operate. Your guidance was crucial in maintaining the highest standards of compliance and integrity and ensuring a stable, fair, and progressive banking environment.

Thank you for your continued support and trust in RHB and for being an integral part of our journey.



Mohd Rashid Mohamad
Group Managing Director/
Group Chief Executive Officer
RHB Banking Group

Strategic Performance Review

PROGRESSING OUR TWP24 CORPORATE STRATEGY

In 2022, we launched our three-year corporate strategy, **Together We Progress 2024** ("TWP24"), in response to a rapidly changing business landscape. TWP24 prioritises sustainable growth, guided by our Purpose Statement, 'Making Progress Happen for Everyone.' We engaged stakeholders to deliver value to customers, colleagues, and communities, with a focus on segment-led growth, asset quality, cost efficiency, and returns, emphasising sustainability, technology, and innovation.

Centred around three strategic objectives ... anchored against seven focus areas

TWP24

Together We Progress 2024

is RHB's 3-year corporate strategy from 2022 to 2024

Be Everyone's Primary Bank

- Build deeper relationships with our target customers (e.g. Affluent, Mass Affluent, SME, Large-Cap, Mid-Cap)
- Embed our presence across all financial needs (e.g. savings, lending, investments, protection)
- Meet our customers' needs through personalised value propositions

Prioritise Customer Experience

- Deliver market-leading and differentiated customer experience and service levels
- Bring together the best digital experiences to help customers manage their financial needs
- Continue to invest in modern systems, technologies and analytics capabilities (e.g. Artificial Intelligence/Machine Learning)

Drive Quality Growth

- Concentrate on domestic and international growth where we are equipped with the 'right to win'
- Focus on growing our business profitably
- Prioritise ESG and sustainable growth in the near and long-term

MAKING PROGRESS HAPPEN FOR EVERYONE

Purpose

Strategic Objectives

Be Everyone's Primary Bank

Prioritise Customer Experience

Drive Quality Growth

Focus Area

- 1 Be the Primary Financial Services Provider
- 2 Integrate into Key Islamic Ecosystems
- 3 Build an Integrated Overseas Business
- 4 Catalyse Sustainability

- 5 Employ Cutting Edge Technology
- 6 Develop a Future-ready Workforce
- 7 Accelerate Intelligent Banking Services

Value Created for Our Stakeholders

- **CUSTOMERS**
Partner our customers for success
- **COLLEAGUES**
Grow our colleagues personally and professionally
- **COMMUNITIES**
Uplift and empower communities
- **INVESTORS**
Deliver attractive and sustainable returns
- **REGULATORS**
Active and continuous engagement with regulators

Strategic Performance Review

TWP24 centres around three objectives and seven focus areas to enhance stakeholder value, aiming to excel in Service Excellence. It operates through five key business groups, leveraging digital and analytics capabilities for seamless customer experiences. Our commitment to sustainable financing and ESG integration fosters inclusive growth and trust among stakeholders, including customers, employees, shareholders, regulators, suppliers, and communities.

... delivered through key business priorities

We will strive towards meeting our TWP24 targets



**GROUP
COMMUNITY
BANKING**

- Mass Affluent: Create winning propositions
- Wealth: Become an end-to-end wealth provider
- SME: Build sectorial expertise and expand ecosystems



**GROUP
WHOLESALE
BANKING**

- Enhance client relationship model in all markets
- Transform digital channels to serve all banking and investment needs
- Champion ESG initiatives across the group



**GROUP
SHARIAH
BUSINESS**

- Expand Islamic ecosystems
- Build a holistic Islamic Wealth Management business
- Increase Islamic share of Group Financing



**GROUP
INTERNATIONAL
BUSINESS**

- Focus on strengths within each market
- Leverage synergies and learnings across all markets
- Digitalise to support growth aspirations



**GROUP
INSURANCE**

- Deepen bancassurance via innovative products
- Double down on digital capabilities and acquisition
- Widen distribution networks

TWP24

STRATEGIC TARGETS

▶ **11.5%**
Return on Equity (2024)

▶ **≤ 44.5%**
Cost-to-Income Ratio (2024)

▶ **Top-3** Net Promoter Score (NPS)
among banks in Malaysia

DIGITAL & IT TARGETS

▶ **≥ 65%**
Systems Modernised by 2024

▶ **≥ 50%**
Processes Automated by 2024

SUSTAINABILITY TARGETS¹

▶ **RM50 billion***
Sustainable Finance Mobilised by 2026

▶ **More than 2 million**
Targeted Individuals and Businesses Empowered
Across ASEAN by 2026

▶ **Carbon Neutral**
by 2030

Note:

¹ Sustainability targets are based on RHB's 5-Year (2022-2026) Sustainability Strategy & Roadmap

* Revised Sustainable Financial Services target

Strategic Pillars

In our second year of TWP24, RHB has stayed the course across our three strategic pillars as we deepened relationships, prioritised the customer experience and drove quality growth across key business segments. The strategy has helped RHB to navigate a challenging operating environment in 2023 to ensure sustained value creation for our stakeholders.

<p>Be Everyone's Primary Bank</p>	<p>Our Aim Build deeper relationships with our target customers in the Affluent, Mass Affluent, SME, Large-Cap and Mid-Cap segments</p> <p><i>Capitals Deployed:</i> FC MC IC HC SRC</p>	<p>Our Approach</p> <ul style="list-style-type: none"> • Develop sectorial expertise to support a hyper-personalised approach to service delivery • Deepen our relationships with the customer base in our niche segments • Continue to improve the SME Ecosystem • Invest in digitalisation to grow our online SME financing portfolio and the Wealth segment
<p>Prioritise Customer Experience</p>	<p>Our Aim Deliver market-leading and differentiated service and propositions by bringing together innovative digital experiences that help customers manage their financial needs</p> <p><i>Capitals Deployed:</i> FC MC IC HC SRC</p>	<p>Our Approach</p> <ul style="list-style-type: none"> • Invest in building our capabilities to enhance the customer experience through a digital-first approach • Accelerate the growth of the Islamic financial ecosystem by working closely with the government and public agencies
<p>Drive Quality Growth</p>	<p>Our Aim Concentrate on domestic and international growth where we have identified our strengths in niche segments, while committing to growth that is profitable and sustainable</p> <p><i>Capitals Deployed:</i> MC IC HC SRC NC</p>	<p>Our Approach</p> <ul style="list-style-type: none"> • Build an integrated overseas business by delivering localised strategies across our six foreign markets, growing our existing strongholds while exploring opportunities for ESG financing • Mobilise RM50 billion in sustainable financial services by 2026 • Empower more than two million targeted individuals and businesses across ASEAN by 2026 • Achieve carbon neutrality by 2030 and develop a pathway to net zero

Our Capitals: FC Financial Capital HC Human Capital IC Intellectual Capital

Strategic Scorecard



**Be
Everyone's
Primary Bank**



**Prioritise
Customer
Experience**



**Drive Quality
Growth**

Strategic Achievements in FY2023

- Grew Retail loans portfolio by 6.0%, on the back of strong Mortgage and Auto Financing portfolios (which grew by 8.6% and 7.8% respectively)
- Strengthened our SME value proposition, which resulted in a loans growth of 4.9%
- Accelerated sales of insurance product via RHB Insurance, which saw an increase in Gross Written Premium ("GWP") of 17.7%

Strategic Achievements in FY2023

- Encouraged adoption of online banking of RHB customers, which resulted in an increase of online users by 44% in 2023
- Accelerated online features related to the prevention of scam and fraud, in line with Bank Negara Malaysia's agenda, by launching features such as the 'Kill Switch'
- Continued to modernise and automate systems and processes within RHB to increase efficiency

Strategic Achievements in FY2023

- Mobilised more than RM23.8 billion in Sustainable Financial Services
- Launched RHB's Islamic Wealth Management portal, a one-stop digital platform to enable customers to have better access to Shariah-compliant products
- Drove loans growth in our overseas business, led by our key market of Singapore and Cambodia (17.5% and 5.2% respectively)

FY2023 Achievements

Return on Equity

9.5%

Cost-to-Income Ratio

47.5%

Net Promoter Score

Top 2
among Malaysian
Financial Institutions

ECONOMIC REVIEW



BARNABAS GAN SHENG CHONG
Acting Group Chief Economist

Highlights

In 2023, the main challenges for ASEAN economies included the economic slowdown in China, geopolitical tensions, and persistent global inflation.

Tightening global monetary conditions and slower external demand had impacted Malaysia's economy in particular.

Q1 How did the key ASEAN economies perform in 2023?

A: The ASEAN region experienced diverse economic scenarios in 2023. While navigating through global uncertainties, Malaysia saw a 3.7% year-on-year ("YoY") growth buoyed by strong domestic demand and government spending. Despite a slowdown, Singapore showed a modest Gross Domestic Product ("GDP") growth of 1.1% in 2023. Indonesia expanded resiliently by 5.1%, primarily driven by robust domestic consumption despite higher interest rates. Thailand's GDP grew 1.9% the same year, albeit against challenges posed by a slowdown in tourism and domestic investment demand. In contrast, Cambodia showed promising growth prospects, whereby the market consensus is pencilling a 5.7% increase in GDP in 2023, driven by consumer spending and private sector activities, especially in solar panel and electrical component exports.

Q2 What were the inflation trends and monetary policy responses across these economies in 2023?

A: Inflationary pressures varied across the ASEAN region in 2023, prompting diverse monetary policy responses. For example, Malaysia responded to rising inflation by increasing the overnight policy rate to 3.00%, while Singapore experienced higher inflation pressures than in the previous two years. In Indonesia, Bank Indonesia hiked the policy rate to 6.0% to stabilise the Rupiah amid inflationary trends, whereas we observed Thailand increasing its policy rate to 2.5% to manage inflation risks. Cambodia, on the other hand, saw a comparatively lower inflation rate, indicating an easing in supply chain disruptions.

Q3 What were the main challenges and risks faced by the ASEAN economies in 2023?

A: In 2023, the main challenges for ASEAN economies includes the economic slowdown in China, geopolitical tensions, and persistent global inflation. Malaysia's economy, in particular, was impacted by tightening global monetary conditions and slower external demand, though trade data showed signs of improvement by the fourth quarter of 2023. Singapore navigated through increased inflation and a general economic slowdown, whereas Indonesia contended with a weakening Rupiah and a negative current account balance. Thailand's tourism sector continued to struggle, impacting its economic growth, while Cambodia managed to maintain a strong export performance despite facing slower growth in major trade partners.

Operating Environment

We are optimistic about ASEAN's outlook for 2024 despite the diverse economic scenarios in 2023.

Malaysia's GDP is projected to expand by 4.6% in 2024, driven by the external sector's performance.

The economic landscape of 2023 presented both challenges and opportunities for RHB Banking Group, which necessitated strategic responses.

For 2024, credit demand is expected to be buoyed by robust regional growth prospects, while fees and commission income should benefit from stronger loan-related and improved capital market activities.

Q4 What were the strategic implications and responses for RHB Bank given the 2023 economic landscape?

A: The economic landscape of 2023 presented both challenges and opportunities for RHB Banking Group, which necessitated strategic responses. Recognising the importance of prudent capital and liquidity management, the Group maintained robust loan loss reserves and adjusted its balance sheet to navigate the economic uncertainties. The market dynamics in 2023 accelerated our digitalisation efforts and workforce competency development, which are central to our strategic drivers under our corporate strategy, Together We Progress 2024 ("TWP24").

In various ASEAN markets, RHB has adapted by investing in human capital and technology, supporting its strategy to navigate external influences. The focus on digitalisation across all seven focus areas of TWP24 reflects our commitment to leveraging technology to enhance customer experience and drive quality growth. RHB is also stabilising core business while building new growth engines in response to the developing market prospects, which mirror broader global economic movements. This involves an integrated approach to overseas business, leveraging strengths and balancing risks in different markets.

RHB has capitalised on the Group International Business' growth potential, with notable progress in Commercial Banking performance in Singapore and Cambodia. Human Capital development remains a priority, particularly in its overseas markets like Singapore, Indonesia, and Cambodia, where they focus on targeted training and instilling RHB's Culture Components. Continuous technological investments were made to build robust infrastructure, ensuring value delivery to customers across markets.

These strategic measures fortify RHB's position in the face of global economic headwinds and capitalise on emerging growth opportunities, safeguarding stakeholder value and supporting economic recovery.

Q5 What is the economic outlook for these ASEAN countries in 2024?

A: We are optimistic about ASEAN's outlook for 2024. We expect Malaysia's GDP to expand by 4.6%, driven by the external sector's performance. Singapore's GDP growth is projected at 2.5%, with the services sector playing a key role, while Indonesia anticipates a 5.0% GDP growth, benefiting from global market sentiment improvements. Thailand's GDP is expected to grow by 3.5%, reliant on further tourism recovery, and Cambodia's economy is projected to grow by 6.1%, with better trade performance and resilient domestic demand.

BANKING REVIEW



Highlights

Domestic business activity improved, with

consumer-related businesses enjoying sustained growth in household spending while tourism activities picked up and supported tourism-related subsectors

Banking system loans growth moderated to 5.3% year-on-year (“YoY”), with household loans up 5.8% YoY,
while lending to businesses rose by 4.5% YoY

We consistently maintained healthy capital buffers and provisioning
to accommodate potential impacts on capital adequacy

OVERVIEW

During the year under review, global financial markets were volatile due to aggressive central bank policy rate hikes to cool inflation that weighed on economic activity, coupled with elevated geopolitical tension that lingered, while the global banking sector came under stress. However, domestic financial markets remained orderly while domestic business activities improved thanks to sustained growth in household spending and tourism activities, despite certain segments facing headwinds from elevated input costs and weak external demand. Malaysia’s banking system capital and liquidity buffers stayed healthy to support financial intermediation activities while provisioning buffers remained prudent to absorb potential unexpected losses.

Operating Environment

Banking system loans growth moderated to 5.3% YoY, with household loans up 5.8% YoY, while lending to businesses rose by 4.5% YoY. Capital buffers and liquidity remained strong, with the banking system's Common Equity Tier-1 ratio at 14.6%, while the Liquidity Coverage Ratio was 161%. Banking sector profits rose further YoY, supported by lending activities and higher trading and investment income, while loan provisions declined year-on-year due to the earlier build-up in provision buffers. These, however, were partly offset by narrowing Net Interest Margins ("NIM") due to higher funding costs. Despite higher funding rates, this did not result in a broad-based tightening in credit conditions.

Meanwhile, asset quality was stable amidst the unwinding of repayment assistance ("RA") programmes. Loans under RA ticked down to 2.4% of total banking system loans from 2.8% in 2022, as most borrowers that exited RA programmes could resume and sustain regular loan repayments. The share of loans classified under Stage 2 also declined, down to 7.2% and was below the average of 8% from 2018 to 2020. Overall, the banking system gross impaired loan ("GIL") ratio was stable at 1.65% and well supported by provisions total gross loans of 1.5% compared to an average of 1.3% from 2015 to 2019.

MARKET DYNAMICS

Aggressive monetary policy tightening by major central banks, global banking sector stress, and China's slower-than-expected pace of recovery were among the factors that contributed to heightened global market volatility. Domestic financial markets, however, stayed orderly, as spillover risks from the global banking sector stress had a limited impact. With that being said, banks faced a domestic operating environment where gross domestic product ("GDP") growth slowed, and credit demand moderated, while banks' NIMs were under pressure as deposits were repriced higher.

Domestic business activity improved, with consumer-related businesses enjoying sustained growth in household spending while tourism activities picked up and supported tourism-related subsectors. Nevertheless, there were still businesses that continued to face operating headwinds in the form of elevated input costs from higher import prices, exchange rate effects, as well as higher electricity and labour costs, and weak external demand. These risks are within banks' expectations and are not expected to lead to a systemic deterioration in credit quality.

Banks continue to make significant investments in managing technology and cyber-related risks, given the rising popularity of online banking. More robust fraud countermeasures were introduced by banks to make it more difficult for the perpetration of online fraud and scams. Apart from that, such investments are required to ensure their digital services are robust enough to withstand attacks on their information technology platforms and maintain operational resilience.

The banking sector also made progress towards aligning business operations with environmental and sustainability goals. This includes considering the associated environmental impacts from lending decisions, and expanding green financial solutions that support customers' transition towards more sustainable practices. Addressing data needs and building capacity in climate risk management will be an ongoing focus for banks in order to meet climate goals and support transition activities, among other things.

STRATEGIC IMPLICATIONS & RESPONSE

We consistently maintained healthy capital buffers and provisioning to accommodate potential impacts on capital adequacy. Continued vigilance of market risks and movements ensured we could leverage our capital to adapt to the volatility as needed.

To address the threat of digital fraud and scams, we retained our Digital, IT and Analytics ("DIA") workforce mix at 7.7% of total employees from 2022. As part of wider workforce skills upgrade programmes, we scaled up optimisation initiatives in role-based and Group-wide training categories. Our focus on developing Human Capital was designed to meet the challenges of a digital-first banking system, such that we can provide a safe and secure banking experience to our customers. Investments were made to enhance our digital and IT infrastructure for remote working employees and our customers.

To ensure greater focus on 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 ensuring the integration of sustainability and climate-related considerations into the Group's long-term corporate strategy and decision-making process.

BANKING REVIEW (Cont'd)

The Group's Sustainability Strategy and Roadmap, which cuts across four key pillars - Sustainable & Responsible Finance, Embedding Good Practices, Enriching & Empowering Communities, and Committed to Achieving Net Zero by 2050 - will guide the Group towards achieving its aspirations. These aspirations include revising RHB Group's 2026 Sustainable Financial Services commitment from RM20 billion to RM50 billion, empowering more than two million targeted individuals and businesses across ASEAN by 2026, and achieving carbon-neutral operations by 2030 and Develop a Pathway to Net Zero by 2050. These ambitious targets protect, preserve, and enhance our key capitals.

Outlook

Regional GDP growth prospects are expected to improve in 2024, leading to resilient credit demand. Apart from that, a brighter macroeconomic outlook should also be positive for fee and commission income via stronger loan-related as well as credit card fees and improved capital market activities, among others.

While the inflationary path could be uncertain amid domestic policy changes, weather and geopolitical risks, among others, most ASEAN central banks are likely done with their policy rate hiking cycle. Moreover, with the US Federal Funds Rate at or close to peak, the US dollar is expected to weaken against Asian currencies, moderating the volatility in many asset classes.

Malaysia is expected to maintain its Overnight Policy Rate ("OPR") at 3.0% throughout 2024, broadly in line with pre-pandemic levels. While there may still be pockets of vulnerable borrowers whose income levels have yet to fully recover to pre-COVID levels, on the whole, GILs should remain benign, and banks continue to maintain a prudent stance on provisioning buffers.

Malaysia's digital banks are expected to launch operations by the second quarter of 2024. In anticipation of the launch, the incumbent banks are expected to ramp up their digitalisation efforts and offerings. Consumers can look forward to and enjoy more innovative and competitively priced product offerings in 2024.

On the environmental, social and governance ("ESG") front, we expect banks to roll out sector-specific transition plans, at least for high-ESG risk sectors, supported by further developments in regulatory frameworks. At the same time, we look forward to seeing the banks extending financial and non-financial support to SMEs and the unserved/underserved population under the financial inclusion agenda.

Our Material Matters

This section outlines the core sustainability issues that are of utmost importance to our business strategy and stakeholders' interests.

Our approach to identifying and prioritising our material matters is rooted in a comprehensive assessment and engagement process that aligns with our strategic priorities, organisational values, as well as the expectations of our stakeholders.

In FY2023, we conducted a comprehensive Group-wide materiality assessment exercise to identify any shifts in stakeholder priorities since our initial assessment in FY2018. This exercise also served to further validate our 5-Year Sustainability Strategy and Roadmap (2022-2026), to ensure alignment with stakeholder interests and effective resource allocation. To maintain objectivity, independence and compliance with regulatory requirements and industry best practices, we engaged a third-party consultant for the assessment.

The methodology that we have adopted in identifying our material matters is in line with the Bursa Malaysia Materiality Assessment Toolkit (3rd Edition), and the GRI Standards, ensuring thorough identification and prioritisation of material matters and stakeholder groups.

FY2023 Materiality Assessment Process

IDENTIFICATION

of material sustainability matters and key stakeholder groups



- Compile a preliminary list of material sustainability matters aligned with RHB's operating context and environment.
- Identify key stakeholder groups to be engaged as part of the materiality assessment exercise, and understand their concerns and expectations pertaining to RHB's sustainability-related impacts.

PRIORITISATION

of material sustainability matters



- Embark on stakeholder engagement process with identified key stakeholder groups, to further refine and prioritise the preliminary list of material sustainability matters.
- Present the prioritised material sustainability matters, indicating the relative importance of each material sustainability matter to RHB and its stakeholders.

CONSOLIDATION
AND VALIDATION
of the results

- Subject the outcome of the materiality assessment for validation and approval at the responsible governing committees, namely the GSC and BSC.

IDENTIFICATION OF MATERIAL TOPICS

As part of the FY2023 materiality assessment process, a list of relevant material sustainability matters was identified, drawing upon:

Internal Framework, Guidelines and Strategic Blueprint

- RHB's 16 existing material sustainability matters across Economic, Environmental, Social and Governance topics
- RHB Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), including focus areas and sustainability KPIs
- The Group's relevant sustainability and climate-related frameworks, policies, guidelines, strategies and commitments

Regulatory Requirements and Landscape

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Bursa Malaysia Common Sustainability Matters
- Other relevant sustainability-related regulatory requirements

National Agenda

- Government directives, policies and incentives related to sustainability

Industry Review and Operating Context

- Industry and market analysis, including global and local sustainability trends
- Peer analysis and benchmarking
- Global megatrends

Industry Best Practices in Sustainability Reporting and Disclosure

- Sustainability reporting frameworks, including GRI Standards, UN SDGs, Integrated Reporting Framework and TCFD

Our Material Matters

RHB FY2023 Material Matters

In FY2023, we refined our material matters to 14, from the earlier 17 material matters identified in FY2018. Our material matters are categorised into Governance, Economic, Environment and Social matters, which are aligned with the 11 Bursa Common Sustainability Matters:

GOVERNANCE	
GB Good Business Governance	▶ Anti-corruption
DC Data Protection and Cybersecurity	▶ Data privacy and security
ECONOMIC	
SF Sustainable Financial Services	
FI Financial Inclusion	
DI Digitalisation and Investment in Technology	
CX Customer Experience	
FC Fair Treatment of Financial Customers	
SC Sustainable Supply Chain	▶ Supply chain management
ENVIRONMENT	
CC Climate Change	▶ Emissions
ES Environmental Stewardship	▶ Energy management ▶ Water ▶ Waste management
SOCIAL	
T Talent	▶ Labour practices and standards
EW Employee Health, Safety and Wellness	▶ Health and safety
DO Diversity and Equal Opportunity	▶ Diversity
CE Community Enrichment and Empowerment	▶ Community/society

RHB's Material Matters

▶ Mapping to Bursa Common Sustainability Matters

OUR APPROACH TO STAKEHOLDER IDENTIFICATION

As part of our materiality assessment process, we have identified additional stakeholder groups, who are impacting or impacted by RHB's operations and activities, across all business entities and all countries where we operate.

The stakeholder identification process involved the relevance, impact, interest and expectations of the groups. Based on our identification and mapping process, we have recognised the following key stakeholder groups as being important to the success, growth and resilience of our business and operations. The expanded list includes three renamed stakeholder groups from the previous materiality assessment and four newly identified groups deemed as key stakeholders for the Group.

Stakeholder Groups Identified and Engaged For The FY2023 Materiality Assessment

- BD** Board of Directors¹
- CU** Customers
- EM** Employees
- SI** Shareholders and Investors
- RE** Regulators²
- CO** Communities
- SS** Suppliers and Service Providers²
- FI** Financial Industry Peers
- BP** Business Partners¹
- RA** Rating Agencies²
- AN** Analysts²
- ME** Media²

¹ Refers to an existing category of stakeholders that have been identified as a key stakeholder group for RHB but were renamed and/or reorganised as part of the FY2023 Materiality Assessment, for better clarity.

² Refers to a new category of stakeholders that have been identified as a key stakeholder group for RHB, as part of the FY2023 Materiality Assessment.

STAKEHOLDER ENGAGEMENT FOR MATERIALITY ASSESSMENT

FY2023 Materiality Assessment – Stakeholder Engagement Activities

Materiality Assessment Survey

An online Materiality Assessment Survey was sent out to representatives from all 12 stakeholder groups for them to rate the importance of RHB's material topics

Materiality Assessment Workshop

A half-day Workshop involving RHB's senior leaders was conducted by an external consultant to further refine and prioritise the preliminary list of material matters in a materiality matrix. During the Workshop, the significance of the material matters was discussed and a stakeholder prioritisation exercise was conducted.

Targeted Engagement Sessions with BSC Members

Interview sessions with the Board Sustainability Committee ("BSC"), representing the Board of Directors, were conducted to provide invaluable guidance on the Group's prioritised sustainability matters. Feedback from the sessions were processed and integrated into the preliminary matrix.

Validation and Approval

14 material sustainability matters were identified and presented in a materiality matrix, as illustrated on page 40 of the Integrated Report 2023 and on 68 of Sustainability Report 2023. The materiality matrix was validated by the Group Sustainability Committee ("GSC") and was approved by the BSC.

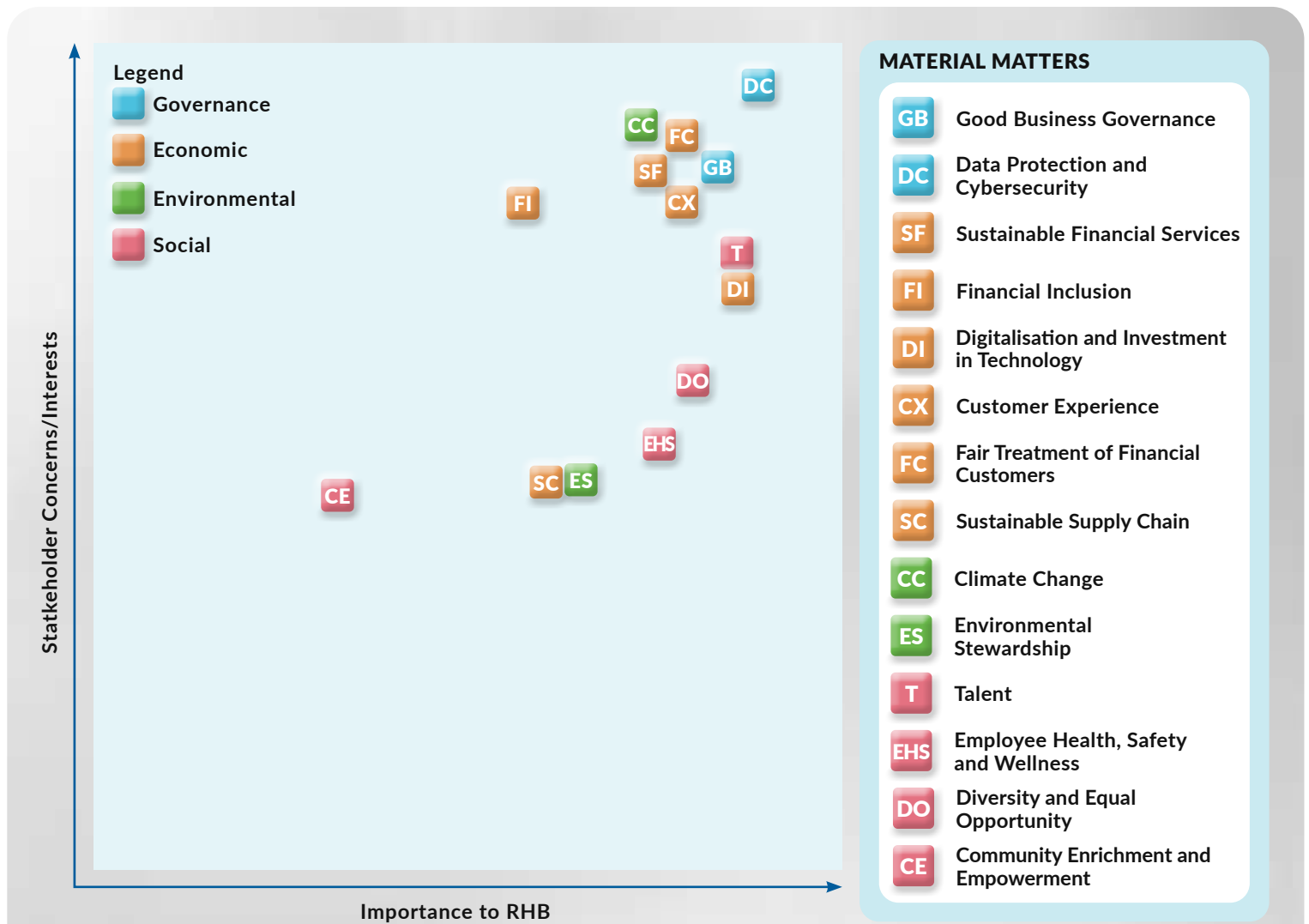


Our Material Matters

MATERIALITY ASSESSMENT OUTCOMES

Materiality Matrix

The materiality matrix showcases the prioritisation of RHB’s material sustainability matters and reflects the significance of each material matter to RHB and its stakeholders.



Note:

¹ The horizontal axis reflects the importance of each material matter to RHB, which is represented by the perspectives of the Board of Directors and the Group’s Senior Management. On the other hand, the vertical axis reflects the level of stakeholder concern and/or interest in each material matter, which is represented by the weightage average of all other stakeholder groups’ perspectives. The weighted average is derived from the stakeholder prioritisation exercise, as described on page 67 of RHB’s Sustainability Report 2023.

² The definitions of High, Medium and Low Importance are as follows:

- **High Importance:** The material matter is highly significant and is a notable priority to RHB and/or our stakeholders. It has a substantial influence on overall perspective and/or decision-making, and its importance should not be overlooked.
- **Medium Importance:** The material matter is moderately significant. It holds a fair amount of importance and has some influence on overall perspective and/or decision-making.
- **Low Importance:** The material matter is relevant, but not necessarily a priority. It has a minimal influence on overall perspective and/or decision-making.

Our Material Matters

Key outcomes of the RHB Banking Group Materiality Assessment FY2023 are explained below:

Key Outcome	Analysis
<p>The top material matter for FY2023 is Data Protection and Cybersecurity.</p>	<p>The high prioritisation of Data Protection and Cybersecurity underscores the continued significance of safeguarding information and addressing cybersecurity challenges in today's business environment. Effective management in these areas is crucial for mitigating the Group's reputational, operational, financial and legal risks.</p> <p>Additionally, this prioritisation aligns with RHB's robust internal controls in data protection and cybersecurity, consistent with the Group's FY2018 materiality matrix.</p>
<p>Several top material matters remain consistent with the Group's FY2018 materiality assessment, namely:</p> <ul style="list-style-type: none"> • Data Protection and Cybersecurity • Good Business Governance • Customer Experience • Fair Treatment of Financial Customers 	<p>Due to their sensitive nature, the management of these topics are closely regulated within the industry. They are critical elements of RHB's daily operations and significantly impact our social license to operate.</p> <ul style="list-style-type: none"> • Ethical Business Practices – Establishing a robust corporate governance framework, guided by the highest standards of ethics and integrity, is critical to business resilience. • Fair Treatment of Financial Customers – Maintaining customer trust is essential for the Group's success, ensuring fair dealings in all customer engagements. • Customer Relationship – Adapting to customer needs is imperative for remaining competitive in the financial sector <p>These topics are integrated into our governance and decision-making processes, supported by robust risk management frameworks and internal controls, ensuring efficient and compliant practices.</p>
<p>Emissions Management (now renamed as Climate Change) has significantly increased in importance as a material matter, from low priority to high priority.</p>	<p>The growing urgency to address climate change is evident through regulatory requirements and accelerated by government directives in promoting low-carbon practices.</p> <p>This aligns with the Group's extensive work within the Group Climate Action Programme, integrating climate-related considerations into business activities and risk management. Additionally, it reflects the Group's commitment to achieve Carbon Neutral Operations by 2030 and Net Zero Emissions by 2050.</p> <p>Given the increasing importance of Climate Change as a material matter, clear visibility and oversight of management efforts are essential for establishing a robust foundation.</p>
<p>Topics associated with the Group's sustainability KPIs and key commitments emerged as medium to high priority, including:</p> <ul style="list-style-type: none"> • Sustainable Financial Services • Community Enrichment and Empowerment • Financial Inclusion • Climate Change • Talent • Diversity and Equal Opportunity 	<p>Recognising the evolving nature of sustainability risks and opportunities, RHB actively manages these material matters through clear targets, policies, frameworks and strategies.</p> <ul style="list-style-type: none"> • Sustainable Financial Services – As the financial sector transitions towards sustainability, strengthening our capabilities in sustainable finance is crucial for remaining competitive. • Financial Inclusion and Community Enrichment and Empowerment – Our commitment to nurturing societal advancement involves supporting community development initiatives and investing in intellectual and social empowerment of our youth. • Climate Change – Embedding climate considerations into risk management and business strategy is essential, aligning with our commitments of Achieving Carbon Neutral Operations by 2030, and Net Zero Emissions by 2050. • Talent and Diversity and Equal Opportunity – Empowering employees fosters an inclusive, motivated and high-performance culture, driving organisational goals. <p>This proactive approach ensures the close monitoring of these material topics, enabling adaptability to new developments. Thus, we are better positioned to capitalise on opportunities and effectively mitigate potential risks.</p>

▲ For more information on RHB's FY2023 materiality assessment and material matters, please refer to Our Material Matters on pages 62-81 in RHB's Sustainability Report 2023.

Stakeholder Engagement

OUR STAKEHOLDER NEEDS AND EXPECTATIONS

Ongoing engagement with stakeholders is critical to sustainable value creation. As such, RHB regularly engages with our key stakeholder groups via dedicated engagement channels to understand their views and concerns. This inclusive, data-driven approach ensures that their valuable insights inform our strategic decision-making processes, resulting in shared value creation for our stakeholders and business.

Key Stakeholder	Engagement Platform
<p>BOARD OF DIRECTORS BD</p> <p>The Board of Directors sets the Group's strategic direction and is responsible for establishing and maintaining robust governance practices, including transparency, ethical conduct and effective risk management. This affects our Social and Relationship Capital, which can ultimately affect our Financial Capital.</p>	<ul style="list-style-type: none"> • Board and Board Committee meetings F3 • Directors' training and development, inclusive of seminars, forums and conferences F5 F6 • Periodic meetings/discussions F6 • Corporate events and engagements hosted by the Group as well as externally organised by regulators and customers F5 F6 • Discussions/meetings held without the presence of management F5 F6
<p>CUSTOMERS CU</p> <p>Customers are central to our business, their satisfaction and loyalty enhance our Brand and Relationship Capital, fueling sustainable Financial Capital growth.</p>	<ul style="list-style-type: none"> • One-on-one engagement (physical or virtual) by the Senior Management, Relationship Managers, Branch Managers, Personal Bankers or Customer Service Officers F6 F7 • Online, digital and physical communication channels (email, social media platforms, letter or notices) F7 • Customer networking events that include seminars, forums, customer high-tea or cocktails F7 • Alternative customer engagement channels via customer surveys, focus groups and service design engagements F5 F6 F7 • Channels for service resolution, customer advocacy and customer feedback via F7 <ul style="list-style-type: none"> > customer.service@rhbgroup.com > customer.advocacy@rhbgroup.com • Physical touch points at branches, sales centres and service clinics F4 F6
<p>EMPLOYEES EM</p> <p>Employees are the backbone of our operations, driving innovation and efficiency, directly impacting our Human and Intellectual Capital, and thus, our long-term Financial Capital.</p>	<ul style="list-style-type: none"> • RHB's internal social media channel and Workplace by Meta F7 • GMD Chat Sessions and quarterly town halls by Group Senior Management conducted across the region F2 F7 • Group Senior Leadership Forum and GMD Live Session F2 F6 • Formal and confidential grievance channel F7 • Engagement sessions during festive seasons F6 • Social, sports, and recreational activities, including annual dinners F1 F7 • Intranet (My1Portal, MyLink2HR, MyApp2HR) and emails F7 • Annual Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey ("ICES") F1 • Industry and regulatory working groups, briefings, forums, conferences and consultation papers F6 • Regulatory engagements on new products and services, or initiatives, policies, decisions or regulatory frameworks F7

Engagement Frequency:

F1 Annually

F2 Quarterly

F3 Monthly

Stakeholder Engagement

Arising from the Group-wide Materiality Assessment exercise conducted in FY2023, the Group has identified an expanded list of key stakeholder groups.

▲ For further information on this process, please refer to page 65 of Sustainability Report 2023.

Key Interests	Response
<ul style="list-style-type: none"> Financial performance, capital structure, asset quality and liquidity Corporate governance and accountability practices Risk management practices Business strategy and strategic thrust of the Group, including performance against targets Progress of the Group's sustainability journey and the financial impacts of Environmental, Social and Governance ("ESG") risks and opportunities 	<ul style="list-style-type: none"> Carried out periodic reporting of financial performance to the Board of Directors Established three Lines of Defense ("LODs") for risk management and internal control systems. Established robust sustainability governance structure, including clear reporting lines
<ul style="list-style-type: none"> Expectations of usability and the seamlessness of the online customer journey Cybersecurity and financial fraud Turnaround time for loans and financing approvals Accessibility of multiple offline and online channels to offer feedback easily Products and services that meet the needs of the customers Competitive pricing and terms for sustainable financial services 	<ul style="list-style-type: none"> Enhanced digital platforms and processes for a seamless customer experience Clear and frequent communications on identifying fraud and protecting customer privacy Continuously enhance cybersecurity and data protection measures Dedicated 24/7 monitoring to identify and remediate suspicious activities Appointment of a specialist at each touchpoint to drive first-contact resolution Reinforce Customer Experience design principles to ensure a consistent customer journey across touchpoints Ongoing client engagement to support clients' sustainability needs
<ul style="list-style-type: none"> Competitive remuneration and rewards structure Progressive professional and career opportunities A safe, diverse and inclusive workplace culture that provides equal opportunity Access to relevant productive tools to elevate role efficacy Robust Employee Value Proposition Access to financial assistance for victims of natural disasters 	<ul style="list-style-type: none"> Regularly benchmark our compensation packages to ensure they align with industry standards Offer a comprehensive benefits package, including health insurance, retirement plans, and other perks Enable employees access to a range of training programmes and opportunities for skill development Implemented inclusive policies and practices that promote diversity and prevent discrimination such as our Speak-Up Channel and Zero-Tolerance to Anti-Sexual Harassment policy Dedicated Mylink2HR platform for all HR-related matters and launched new MyApp2HR, the mobile version of MyLink2HR to improve accessibility for our employees Offer holistic employee benefits including Work-from-Home ("WFH") option, and programmes on rewards and recognition, as well as employee wellness Offer access to counselling services and other assistance via the Employee Assistance Programme Offer emergency relief and financial assistances via Staff Welfare Fund, natural disaster's fund and humanitarian fund, to help alleviate employees' financial situation during unexpected, difficult situations

F4 Weekly

F5 Periodically

F6 As and when required

F7 Ongoing

Stakeholder Engagement

Key Stakeholder	Engagement Platform
<p>SHAREHOLDERS AND INVESTORS SI</p> <p>Shareholders and investors provide the financial resources necessary for growth, their confidence in our governance and strategy strengthens our Financial Capital and reputation.</p>	<ul style="list-style-type: none"> • Annual and Extraordinary General Meetings F1 F6 • Quarterly and annual financial results announcements F1 F2 • Meetings and briefings with analysts and fund managers F2 F6 • Roadshows, conferences, and round table discussions F6 • Online communications (email, corporate website, social media) F5 F6 F7 • Periodic meetings/discussions F5 • Bursa Malaysia announcements F6 • Annual Reports/Integrated Reports F1 • Sustainability Reports F1
<p>REGULATORS RE</p> <p>Regulators shape the operating environment. Compliance and proactive engagement safeguards our Social and Relationship Capital, enabling smooth operations.</p>	<ul style="list-style-type: none"> • Regular updates and reporting to regulatory authorities F7 • Industry and regulatory working groups, briefings, forums, conferences and consultation papers F6 • Regulatory engagements on new products and services, or initiatives, policies, decisions or regulatory frameworks F7
<p>COMMUNITIES CO</p> <p>The community and society are vital stakeholders. Our social responsibility and impact initiatives build Social and Relationship Capital, enhancing our reputation and license to operate.</p>	<ul style="list-style-type: none"> • Interaction and collaboration with non-profit and non-governmental organisations, associations, social enterprises, and government agencies through RHB's community engagement initiatives F7 • Online communications (email, corporate website and social media) F7 • On-ground and virtual community engagement activities F7 • Innovative digital platforms and mobile banking services to promote financial accessibility F7 • Virtual and physical media sessions and news releases F6
<p>SUPPLIERS AND SERVICE PROVIDERS SS</p> <p>Suppliers are key partners in our value chain as their sustainable and ethical practices contribute to our Manufactured and Intellectual Capital, ensuring resilience and efficiency.</p>	<ul style="list-style-type: none"> • Formal engagements to share service performance and expectations F5 • Company visits to supplier premises F6 • Formal and informal engagements during the procurement process F7 • Tender process and supplier feedback mechanism F7 • RHB Supplier Code of Conduct sharing session F5

Engagement Frequency:

F1 Annually

F2 Quarterly

F3 Monthly

Stakeholder Engagement

Key Interests	Response
<ul style="list-style-type: none"> Revenue growth and future strategic thrust of the Group Risk management practices Update on the Group's Together We Progress 2024 ("TWP24") corporate strategy Dividend policy and payout Corporate governance practices Progress of the Group's sustainability journey and the financial impacts of ESG risks and opportunities 	<ul style="list-style-type: none"> Declared 40 sen per share at 61.1% dividend payout for FY2023 Held regular engagement with analysts and media to provide updates on the Group's financial performance and TWP24 corporate strategy Strengthening of corporate governance practices, including anti-bribery and corruption and AML/CFT measures Robust sustainability governance structure and transparent updates of sustainability achievements
<ul style="list-style-type: none"> Compliance with regulatory requirements and legislation Corporate governance standards and Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT") measures to safeguard corporate integrity Risk management framework and internal controls Management of Environmental, Social and Governance ("ESG") issues, including climate-related risks and the development of ESG products and services Contributions to Value-Based Intermediation ("VBI") Ethical business conduct in line with the BNM policy on Fair Treatment of Financial Consumers ("FTFC") 	<ul style="list-style-type: none"> Corporate governance and compliance best practices to meet regulatory requirements Continuous review of risk management practices and ensuring strong fundamentals Enhancement of ESG Risk Assessment ("ERA") tool by incorporating the key guiding principles under the Climate Change and Principle-based Taxonomy ("CCPT") and ASEAN Taxonomy for underwriting process Implementation of the ESG Eligible Business Activities Guidelines Embarked on the Group Climate Action Programme Phase 2, which includes climate-related Governance, Strategy, Risk Management, and Disclosures over a 2-year journey Support communities in need via various financing facilities and assistance programmes Incorporation of FTFC guidelines into marketing materials and customer communications
<ul style="list-style-type: none"> Lack of financial literacy among youths and rural segments, compounded by lower levels of education Limited access to financial services and working capital for SMEs Access to financial services and financial assistance during and after natural disasters People with Disabilities and neurodivergent individuals find it challenging to integrate into society and the working environment 	<ul style="list-style-type: none"> Implemented financial literacy programmes, academic excellence programmes for B40 students, and capability-building programmes to upskill B40 micro-entrepreneurs in line with our Sustainability aspiration to empower over two million targeted individuals and businesses across ASEAN by 2026 Lowered barriers to capital for SMEs through digital solutions for efficient loans application and approval, as well as reaching out to MSMEs via a social empowerment programme to provide further support. Provided flood relief assistance for communities affected by flooding nationwide Implemented a talent development programme for neurodiverse youth, to facilitate their integration into the workforce and society with comprehensive training in skill sets, basic employment, social and independent living skills.
<ul style="list-style-type: none"> User-friendliness of the e-procurement system Policies and guidelines that affect vendor criteria, including sustainable procurement practices Privacy and confidentiality of contracts and business arrangements 	<ul style="list-style-type: none"> Continuous refinement of the e-procurement system Guidance and knowledge-sharing sessions with suppliers Conducted training for vendors and suppliers such as Anti-Bribery & Corruption Awareness, as part of the support infrastructure provided for RHB's network of suppliers Incorporated confidentiality clauses in contracts and continued reassurance to suppliers

Stakeholder Engagement

Key Stakeholder	Engagement Platform
<p>FINANCIAL INDUSTRY PEERS FI</p> <p>Financial industry peers foster a competitive yet collaborative ecosystem, influencing our reputation and Intellectual Capital, which in turn shapes our financial sustainability.</p>	<ul style="list-style-type: none"> Industry forums and events, including working groups, roundtable discussions, and conferences F6 Collaborations and partnerships where RHB is an active member in over 40 industry associations across the ASEAN region and a member of four committees/subcommittees that relate to Sustainability and Climate Change F7 Online and digital communications (email, corporate website, social media) F7
<p>BUSINESS PARTNERS BP</p> <p>Business partners amplify our service capabilities and market reach, enhancing our operational efficiency, critical for long-term value creation.</p>	<ul style="list-style-type: none"> Industry forums and events, including working groups, knowledge-sharing sessions and conferences F6 Roadshows, conferences, and round table discussions F6 Periodic meetings/discussions F5 Online and digital communications (email, corporate website, social media) F7
<p>RATING AGENCIES RA</p> <p>Rating agencies assess our financial health and stability, their evaluations impact our reputation and Financial Capital, affecting investor confidence.</p>	<ul style="list-style-type: none"> Quarterly and annual financial results announcements F1 F2 Online communications (email, corporate website, social media) F5 F6 F7 Ratings review and assessment F1 Periodic meetings/discussions F6
<p>ANALYSTS AN</p> <p>Analysts provide independent insights on our performance and prospects, influencing investors' decision and market perception.</p>	<ul style="list-style-type: none"> Quarterly and annual financial results announcements F1 F2 Meetings and briefings with analysts and fund managers F2 F6 Roadshows, conferences, and round table discussions F6 Online communications (email, corporate website, social media) F5 F6 F7 Periodic meetings/discussions F5 Bursa Malaysia announcements F6
<p>MEDIA ME</p> <p>The media plays a crucial role in shaping our public image and transparency, affecting our brand equity and Social and Relationship Capital, which are vital for trust and stakeholder engagement.</p>	<ul style="list-style-type: none"> News releases and Corporate Announcements F6 Media interviews via email, video conference call, telephone, or in-person F6 Media briefings F6 Press conferences F6 Online communications via email, corporate website, social media, and WhatsApp F6 Informally for relationship-building (e.g. lunch, festive celebrations, media house visits) F6

Engagement Frequency:

F1 Annually

F2 Quarterly

F3 Monthly

Stakeholder Engagement

Key Interests	Response
<ul style="list-style-type: none"> • New and updated regulations regarding financial services ESG and climate-related management and reporting • Cybersecurity and fraud risk • Compliance with new and existing regulations • Business strategy and future strategic thrust of the Group 	<ul style="list-style-type: none"> • Participation in industry working groups, including the Joint Committee on Climate Change (“JC3”), Value-Based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Working Group and Climate Change and Principle-based Taxonomy (“CCPT”) Implementation Group • Engagement with peers on changing regulations and risk management
<ul style="list-style-type: none"> • Business strategy and Group’s key strategic priorities • Future strategic thrust of the Group • Collaborative efforts, including stakeholder engagement initiatives 	<ul style="list-style-type: none"> • Participation in industry associations, including the United Nations Global Compact • Establishing mutually beneficial partnerships to drive the transition to a low-carbon economy • Strategic collaborations with key industry partners to drive the low-carbon transition, such as our partnership with Tenaga Nasional Berhad
<ul style="list-style-type: none"> • Financial performance, capital structure, asset quality and liquidity • Corporate governance practices • Risk management practices • Revenue growth and strategic thrust of the Group • Progress of the Group’s sustainability journey and the financial impacts of ESG risks and opportunities 	<ul style="list-style-type: none"> • Participate in rating review assessments to provide updates on the Group’s financial performance and TWP24 corporate strategy
<ul style="list-style-type: none"> • Financial performance, capital structure, asset quality and liquidity • Corporate governance practices • Risk management practices • Revenue growth and strategic thrust of the Group • Progress of the Group’s sustainability journey and the financial impacts of ESG risks and opportunities 	<ul style="list-style-type: none"> • Regular engagement with analysts to provide updates on the Group’s financial performance and TWP24 corporate strategy
<ul style="list-style-type: none"> • Financial results announcements • Corporate strategy updates • Senior Appointment announcements • Product, service and innovation announcements • Business strategies and progress, and key achievements 	<ul style="list-style-type: none"> • Regular engagement with various media titles to provide updates on the Group’s financial and business performance, TWP24 corporate strategy, and social/community programmes



Key Risks and Mitigation

Risk management is a fundamental process at RHB in driving sustainable growth and enhancing shareholder value, and safeguarding the Group's competitive edge.

We are firmly committed to proactively addressing risks, as a central part of the Group's operating environment. In the face of broader economic environment-related challenges, the Group has consistently delivered strong performance and upheld solid risk fundamentals. While some segments may have experienced increased risk exposure, the Group took necessary measures to ensure operational stability. RHB continues to conduct comprehensive portfolio reviews and stress-testing exercises to anticipate potential impacts and implement suitable risk management actions.

Our Risk Management Framework Serves The Following Purposes:

- 1 Provides a holistic overview of the risk landscape and control mechanisms within the Group. Its primary objective is to minimise losses and safeguard against potential losses that could otherwise arise.
- 2 Outlines the contribution of the risk management function to the value creation process. This contribution primarily stems from the sophistication of risk management practices and the improved quantification of risks, aiming to optimise risk-adjusted returns.

▲ For more information on the Group's risk management framework, please refer to the Statement on Risk Management and Internal Control on pages 194-203 of this report.

CREDIT RISK

Risk Evaluated

The risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to 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 typically happen in isolation as depending on certain events (e.g. fluctuations of interest rate and foreign exchange), presence of other risks may also arise.

Impact on Value

Credit risk leads to impairment losses, thereby impacting financial return and capital.

Mitigation Measures

- Implemented credit controls and parameters in the credit value chain, such as Risk Acceptance Criteria, exceptional credits/deviation approval capping, impositions of covenants and collateral requirements.
- Utilised various early warning tools to identify high-risk segments or accounts, enabling proactive measures or intensified monitoring and implementing tailored strategies for account/portfolio management as necessary.
- Implemented and enforced credit risk appetites/limits and risk posture to ensure alignment with the Bank's overall risk appetite, fostering prudent risk management practices.
- Assessed the potential impact of emerging risks in our portfolios via stress testing and thematic reviews.
- Adopted advanced analytics and machine learning to enhance credit risk measurement and expected credit loss.
- Implemented an end-to-end credit transformation journey to support business growth while protecting asset quality, covering the core business segments of Community Banking and Wholesale Banking. As a result, business improvements have been observed in credit approval, turnaround time, and collection/recovery.
- Maintained the Credit War Room to better steer, coordinate and ensure the effective implementation of the Group's repayment assistance strategy as market conditions transition to endemic phase, in a consistent and structured response across RHB Banking Group.
- Integrated ESG considerations into the Group's risk management practices and decision-making processes.
- Enhanced the Group Credit Policy to include ESG-risk related activities under Prohibited Credits.
- Enhanced the ESG assessment tools in managing climate-related risks by expanding and strengthening the assessment on environmental (including climate-related), social and governance.
- Incorporated both quantitative metrics and qualitative questions that align with BNM's Due Diligence Questionnaire ("DDQ") and BNM Climate Change Principle and Taxonomy ("CCPT"), which will be rolled out in Q1 2024.
- Engaged with clients and customers in advocating for the transition to clean energy and green activities, and nurturing the integration of ESG/sustainable practices into their respective businesses and operations.
- Conducted due diligence assessments at the asset level to manage properties that are susceptible and prone to flooding to manage physical climate risk.

Key Risks and Mitigation

CR

Risk Movements

Bank Negara Malaysia (BNM) has affirmed that domestic financial market conditions remained resilient despite heightened global market volatility, as supported by:

- Financial institutions remained well capitalised with strong buffers (Total Capital Ratio: 18.5%).
- Banks continue to maintain prudent provisioning buffers to absorb potential unexpected losses (Loan Loss Coverage Ratio at 119%; Gross Impaired Loan Ratio at 1.6%).
- Businesses remained resilient amid persisting operating headwinds as observed in (i) interest coverage ratio (ICR) at 5.7x, well above the prudent threshold of 2x; and (ii) Debt-to-equity ratio at 19.7%.
- SME impairments remained elevated at 3.1% however risk drivers continue to be offset by the sustained repayments of the vast majority of SMEs that have exited repayment assistance programmes introduced during the pandemic.
- Households' debt servicing capacity continued to be supported by improved labour market (unemployment rate of 3.3% in December 2023) and steady wage growth.

At the same time, BNM announced that the share of household loans identified as higher credit risk (Stage 2 loans) has declined YoY to 4.8% as at December 2023 from 6.7% in December 2022. This is largely reflective of the reclassification of a greater share of household borrowers from Stage 2 to Stage 1 after observing a consistent track record of repayments upon exiting repayment assistance programmes.

2023 Quantitative Highlights**GROSS LOANS**

(RM billion)

2022	212.2
2023	222.4

GROSS IMPAIRED LOANS RATIO

(%)

2022	1.55%
2023	1.74%

AVERAGE CREDIT RISK WEIGHT

(%)

2022	33.9%
2023	34.3%

- The Group's gross loans grew by 4.8% year on year to RM222.4 billion, mainly contributed by the growth in mortgages, SME and Singapore. Domestic loans grew by 3.4% year on year.
- The Group's gross impaired loans ratio (%) deteriorated to 1.74% (RM3.9 billion) as at December 2023 from 1.55% (RM3.3 billion) as at December 2022 due to elevated asset quality of overseas operations. Domestic gross impaired loans ratio of 1.52% as at December 2023 is better than the industry's ratio (1.65% as at December 2023).
- Average Credit Risk Weight recorded a deterioration year-on-year by 0.4% mainly due to increase in Internal Ratings Based (IRB) Corporate and Income Producing Real Estate ("IPRE") exposure which have higher-than-average Risk Weight.

Outlook

Although domestic business activity has improved considerably in the first half of 2023, BNM expects businesses to face continued headwinds such as elevated costs and weak external demand. BNM projected that the Malaysian economy will expand close to the lower end of the 4.0% to 5.0% range in 2024. In view of a less favourable economic outlook, the Group will continue to adopt a cautious approach by enhancing credit underwriting standards. Reviews on the Group's credit risk policies are also conducted on a regular basis to ensure they remain effective in identifying, measuring, monitoring, and controlling this risk.

Our Capitals:

FC

Strategy:

QG CX

Stakeholders:

RE CU SI

Material Matters:

GB SF

Key Risks and Mitigation

MARKET RISK

Risk Evaluated

The risk of losses arising from adverse movements in market drivers, such as interest/profit rates, credit spreads, equity prices, currency exchange rates and commodity prices. Under this definition, market risk constitutes:

- The interest/profit rates and equity risks of financial instruments in the trading book.
- Foreign exchange risk and commodities risk in the trading and banking books.

Impact on Value

Sudden or unexpected fluctuations in asset/portfolio value impact financial returns.

Mitigation Measures

- Upheld robust, sound and effective market risk governance structure and processes, independent of the Group's trading operations.
- Deployed risk policies and measurement methodologies through the established framework to detect potential market volatilities.
- Enhanced risk management through regular reviews and evaluations of risk appetite, particularly in response to adverse market conditions.
- Synchronised risk mitigation strategies with evolving business strategies to navigate shifts in the macroeconomic environment.
- Observed changes in monetary policy and their impact on market dynamics.
- Increase engagement and the depth of risk reporting to both the Management and Board-level risk management committees.
- Developed short-term and long-term business objectives and strategies to align with adjusted risk appetites. This alignment is reinforced by stress scenario analyses.
- Supervised trading exposures meticulously to ensure that risks remained within predetermined internal thresholds, while also employing a vigilant monitoring mechanism to swiftly identify and address any occurrences of extreme events.

Risk Movements

The past year presented substantial challenges for the financial markets, influenced by widespread inflation, an uptrend in interest rates, and the market's anticipation of these heightened rates to persist over an extended timeframe. Notable events further shaping the financial landscape included increases in interest rates, the strengthening of the US Dollar, the depreciation of the Malaysian Ringgit, and the emergence of the Israel-Palestine conflict in the last quarter of 2023. Following these events, central banks in various jurisdictions moved towards the normalisation of monetary policy, leading to reduced liquidity in the markets and a downturn in financial asset prices. Each monetary policy announcement and change in projections led to immediate and noticeable responses from investors, introducing volatility into the fixed income and equity markets.

The increase in the Market Risk-Weighted Assets ("RWA") was contributed by higher holding of trading positions of bonds, equity and options held by the Group.

2023 Quantitative Highlights

MARKET RWA

(RM million)



- Higher Market RWA was contributed by higher trading and derivatives positions held by the Group and higher exposure to the FX rate movement.

Outlook

Throughout 2024, the global economy will grapple with ongoing uncertainties, exacerbated by rising commodity prices. This environment is likely to foster cautious investment strategies and conservative business environments. The fluctuating interest rate outlook will further impact financial markets, shaping investor sentiment and market dynamics. Consequently, businesses will be compelled to regularly reassess and potentially adjust their structural frameworks and internal controls to pre-emptively manage any risks stemming from market volatility. The extent of these risks will depend upon how markets react to efforts aimed at curbing inflation through policy tightening measures.

Our Capitals:

Strategy:

Stakeholders:

Material Matters:

Key Risks and Mitigation

LIQUIDITY RISK

LR

Risk Evaluated

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

Impact on Value

Liquidity risk that requires funding at higher costs or disposal of liquid assets at losses which impact financial profitability.

Mitigation Measures

- Observed risk exposures against predefined risk limits, including Management Action Triggers (“MAT”) and Risk Appetite (RA) thresholds.
- Conduct regular stress testing to assess available funding capacity and relevant recovery options.
- Perform liquidity crisis exercise to assess awareness and alertness of relevant units who are responsible to monitor and escalate liquidity issues.

Risk Movements

Early in the year, depositors favoured short tenured placement in anticipation of further Overnight Policy Rate (OPR) hike towards the second half of 2023. The Group’s cost of funds increased on the back of intense competition in retail and corporate deposit. However, there is no imminent risk in market liquidity as it remained ample. The Group reviews its funding strategy regularly, taking into consideration challenges in growth of both assets and liabilities. Liquidity challenges are also deliberated at Group Asset & Liability Committee (GALCO) accordingly. The Group’s liquidity remained at healthy levels and poses no material concerns. The Group’s LCR and NSFR remained above the regulatory limit of 100%.

2023 Quantitative Highlights

HIGH QUALITY LIQUID ASSETS (“HQLA”)

(RM billion)

2022 51.51

2023 49.72

LIQUIDITY COVERAGE RATIO (“LCR”)

(%)

2022 162.1%

2023 177.4%

LOAN-TO-DEPOSIT RATIO (“LDR”)

(%)

2022 93.4%

2023 90.8%

- The Group’s liquidity and funding positions remained healthy with average LCR at 150.5%, tracking closely to industry average during the year, whilst NSFR is managed above 100%.
- The year-end LCR increased due to lower Net Cash Outflow, driven by lower deposits outflow which outpaced lower HQLA.
- The decrease in LDR is driven by strong growth in deposit.

Outlook

Although the OPR was maintained at 3.00% as of end-2023, deposit competition could continue to intensify with new players (e.g. digital banks) entering the market in 2024. Nonetheless, liquidity in the Malaysian banking system is expected to remain healthy.

Our Capitals:

FC

Strategy:

PB QG

Stakeholders:

RE CU SI

Material Matters:

GB SF

Key Risks and Mitigation

OPERATIONAL RISK

Risk Evaluated

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

Impact on Value

Depending on the type of operational risk; lapses, errors and disruptions in business operations, may affect the resiliency of our service delivery which may result in operational losses, impact our brand reputation and shared values.

Mitigation Measures

- Assessed the Group's internal controls and processes across various policy domains, such as the Data & Information Management Policy, Whistleblowing Policy, AML/CFT Policy, Outsourcing Guidelines, and Crisis Management Guidelines, conducted by respective policy owners.
- Performed expanded periodic business continuity tests, ensuring the operational efficacy and efficiency of the recovery strategies and procedures, preparedness of staff, and other recovery resources to support continuity and resiliency of critical operations.
- Implemented rigorous evaluation and governance of change management to alleviate concerns related to business and operational disruptions.
- Embraced new technologies, robotics, artificial intelligence, and cloud computing in our work processes in addition to the new norm working conditions.
- Initiated a comprehensive transformation initiative to shift from a focus solely on business continuity to fostering service and operational resilience.
- Upheld contemporary practices and essential public health protocols to ensure the well-being of both customers and employees, even amidst the endemic phase.
- Enhanced analytical capabilities pertaining to operational risk incidents, facilitating targeted risk mitigation strategies and prompt remedial measures.
- Implemented a robust framework for promptly escalating any emerging fraud modus operandi, substantial operational losses, internal fraud occurrences, or other relevant issues posing significant reputational risks to the Group, Senior Management, the Board, and regulators.

Risk Movements

As the banking industry rapidly embraces digitalisation, cybersecurity risks are a real threat to our business and operations. With the surge in electronic banking, there has been a corresponding uptick in fraud and scam incidents. Particularly in 2023, we witnessed a rise in scam cases involving malicious applications disseminated through internet links, social media platforms, and third-party applications. Concurrently, instances of data breaches and privacy infringements within the banking industry escalated, posing significant risks of financial losses.

Mindful of this heightened fraud risk landscape, our Group has been actively engaged in managing both internal and external fraud risks. Externally, we have remained proactive by participating in various industry task forces and working groups, including the pilot group supporting the National Scam Response Centre spearheaded by BNM and PDRM. Additionally, we have implemented Fraud Countermeasures in compliance with BNM regulations, leading to a notable reduction in scam cases. Internally, we uphold a zero-tolerance policy towards internal fraud, enforcing stringent disciplinary actions against any integrity breaches. Recognising internal fraud as a grave threat to our risk culture and brand reputation, we prioritise fostering a conducive environment where such malpractices are unequivocally condemned. Cultivating the right culture and values remains paramount to create a workplace environment where internal fraud and integrity issues are met with zero tolerance.

Moreover, amidst the pandemic-induced uncertainties, related risks have come under heightened scrutiny. As Malaysia and neighbouring countries transitioned into an endemic phase following successful public health programmes, we remain vigilant of potential risks posed by new variants. Adhering to new norm standards, we continue to prioritise the health and safety of both our employees and customers. The introduction of a permanent Work-From-Home (WFH) option necessitated reinforced cybersecurity measures to safeguard our digital workforce and IT assets effectively.

Key Risks and Mitigation

OR

2023 Quantitative Highlights

OPERATIONAL RWA

(RM billion)



The increase in Operational RWA of 1.8% in 2023 was due to the increase in gross income of RM406 million (from RM7.1 billion in 2020 to Rm7.5 billion in 2023[^]) mainly contributed by increase in “Net income from financing activities” (RM1.28 billion) and “Net income from investment activities” (RM315 million) for RHB Islamic despite higher “Income attributable to the investment account holders and other depositors” (RM1.28 billion).

[^] Comparison of the gross income between 2023 vs 2020 was due to the Operational Risk Weighted Assets calculation is based on a rolling 3-year gross income.

Outlook

The Group’s primary focus revolves around advancing its digitalisation agenda, migrating to the cloud and revolutionising work processes while intensifying sustainability and climate management efforts. Project and Change Management are paramount concerns during this transformative period. People-related risks are gradually moderating as the organisation navigates through the endemic phase, although vigilance regarding public health risks persists. RHB’s workforce has adeptly embraced the new norms, prompting a thorough review and refinement of work processes to ensure seamless transitions. Drawing from pandemic experiences, the Group is actively aligning with heightened regulatory expectations concerning Operational Resilience and Recovery Planning.

Looking ahead, the Group aims to bolster its risk culture programme at RHB to inculcate a deeper appreciation of risk management and ownership at the first line of defence. RHB seeks to optimise operations and conduct more efficient risk assessments by leveraging on digitalisation.

The projected 2024 global economic slowdown signals several Operational Risk concerns. In light of this macroeconomic landscape, we are vigilant about the following risks in the upcoming year:

- 1 Potential execution errors arising from the pressures of meeting business deliverables and managing costs.
- 2 Risks associated with both internal and external fraud attempts.
- 3 Supply chain strains exacerbated by a global economic downturn.
- 4 Challenges in attracting and retaining skilled employees.
- 5 Increasing mental health concerns among employees, influenced by factors such as inflation, rising cost of living, job insecurity, and difficulties adapting to evolving work environments.

The overarching strategy of the Group is to consistently implement our Risk Culture programme aiming to foster a culture aligned with the Group’s risk appetite. This initiative will be reinforced by proactive management and ownership of risks, serving as the first line of defence.

Our Capitals:

HC MC FC

Strategy:

CX QG

Stakeholders:

EM RE CU SI SS

Material Matters:

GB SF SC

Key Risks and Mitigation

TECHNOLOGY AND CYBER RISK



Risk Evaluated

Technology risks are associated with the use, ownership, operation, involvement, influence, and adoption of IT within the Group. Cyber risks are threats or vulnerabilities arising from the connectivity of internal infrastructure to external networks such as the internet.

Impact on Value

Threats to our IT infrastructure impact our operations' integrity and our customers' privacy, hindering our ability to facilitate transactions in a safe and secure environment.

Mitigation Measures

- Implemented a robust digital-friendly cloud-based security infrastructure, bolstered by strategic hiring practices aimed at acquiring talent proficient in cloud security.
- Developed comprehensive governance mechanisms, which included the formulation of guidelines and policies designed to fortify security controls across cloud and digital deployments.
- Enhanced visibility into the cyber threat landscape was achieved through diligent surveys of third-party cybersecurity postures and subscriptions to threat intelligence services.
- Deployed monitoring framework to track network activities continuously, enabling prompt identification and response to anomalies and security breaches.
- Conducted assessments and tests of internet-facing application systems, with any identified weaknesses promptly addressed with the assistance of external consultants.
- Maintained optimal system health and capacity utilisation through centralized monitoring, facilitating early detection and mitigation of potential IT issues.
- Evaluated the effectiveness of implemented cybersecurity mitigation controls periodically via Red Team assessment and compromise assessment.
- Undertook phishing simulations and dissemination of best practices bulletin to foster a culture of cybersecurity awareness and resilience.

Risk Movements

Digitalisation of products and services continue to grow alongside with increased adoption of cloud computing. An increased focus on digital transformation initiatives was seen, along with dedicated management committees responsible for facilitating faster time-to-market and responsiveness to customer feedback. The popularity of cloud technology as well as the wider adoption of generative Artificial Intelligence ("AI") by various industries, have created opportunities for collaboration with partners in a drive to improve efficiency. As the financial ecosystem embraces digitalisation and the widespread adoption of generative AI, our digital business model becomes more vulnerable to cybercriminals and hackers, increasing the risk of cyber-attacks.

Outlook

In a digitally driven economy, technology and cyber risks are anticipated to persist. These risks will continually evolve alongside the adoption of new technologies and the ongoing digital transformation. As such, security protocols must adapt in tandem with the changes to safeguard the integrity of our systems. There is a notable focus, evident in both regulatory frameworks and corporate strategies, on strengthening cybersecurity measures, with a specific aim to combat instances of fraud and scams. While navigating these challenges, opportunities arise to enhance customer experiences and greater banking interconnectedness within defined security parameters. The success of digital transformation relies on foreseeing and reducing technology and cyber risks proactively. This necessitates continuous enhancement of our lines of defence, alongside investments in cybersecurity protection and the development of relevant skill sets.

Our Capitals:



Strategy:



Stakeholders:



Material Matters:



Key Risks and Mitigation

REGULATORY NON-COMPLIANCE RISK

**Risk Evaluated**

The risk of regulatory sanctions arising from non-compliances to laws, rules, standards, and regulatory requirements (including any ruling 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 may result in the financial institution suffering financial loss or reputational damage.

Impact on Value

Non-compliance results in regulatory penalties and reputational losses, impacting financial value and relevant operating licenses.

Mitigation Measures

- Undertaken various compliance ecosystem enhancement projects such as enhancement and digitisation of processes via Project RACE, deployment of Anti-Money Laundering Risk Assessment ("AML-RA") dashboard reporting, application of data analytics, Risk Appetite Statement ("RAS") reporting, foreign exchange administration ("FEA") system, FATCA/CRS reporting and compliance risk assessment ("CRA").
- Set up the Group's AML competency model and role-based training, in alignment with the implementation of RACE initiatives. This involved strategic mapping across business divisions and the three lines of defence.
- Refined policies, circulars and guidelines, ensuring that the Group's operational and business processes were appropriately adjusted, to accommodate the demands of the "new normal," while concurrently upholding adherence to regulatory standards.
- Heightened the Group's focus on cyber risk assessments belonging to existing systems, including conducting regular reviews of processes and controls to pinpoint any additional security requirements.
- Enhanced compliance skills among current staff members by sponsoring their pursuit of professional accreditations and conducting in-house compliance training and briefing sessions. This commitment extends to the continuous refinement of compliance competency among entity compliance officers at regional levels through the Regional Compliance Convergence programme.

Risk Movements

Beyond conventional business and governance regulations, there is a noticeable surge in regulations concerning cybersecurity and ESG compliance risks. This uptick is fuelled by the digitalisation observed in the banking sector alongside the increasing emphasis on sustainable financing practices. Regulatory bodies are now mandating assessments of the technological infrastructure of critical systems, prompted by heightened risks exacerbated by the COVID-19 pandemic. Consequently, there is a growing enforcement of regulations pertaining to ESG, aimed at promoting responsible banking and financing activities. These evolving dynamics significantly reshape the regulatory landscape across our operational areas, necessitating robust governance structures that permeate through the three lines of defence.

Outlook

Group Compliance is committed to maintaining a robust compliance function through continuous innovation to support business objectives and ensure effective compliance management. These efforts involve various initiatives, including bolstering the compliance ecosystem and enhancing business resilience and optimising the compliance governance structure by integrating elements such as ESG, data analytics, and digital innovations. Group Compliance remains dedicated to reinforcing compliance risk management across all lines of defence and instilling a compliance culture through ongoing and relevant training programmes through workshops and forums. Additionally, efforts are directed towards nurturing the compliance competency of front-line staff and Business Risk Compliance Officers (BRCOs).

▲ For more information on Group Compliance, please refer to pages 178-182 in this report.

Our Capitals:**Strategy:****Stakeholders:****Material Matters:**

Key Risks and Mitigation

SHARIAH NON-COMPLIANCE RISK

Risk Evaluated

Regulatory sanctions, financial loss or non-financial implications, including reputational damage arising from the failure to comply with the rulings of the Shariah Advisory Council (SAC) of local regulatory bodies (such as the SAC of the 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.

Impact on Value

Alters the Group's reputation and public confidence in RHB to deliver quality Shariah-compliant financial services through its Islamic entities.

Mitigation Measures

- Completed comprehensive, holistic review on the risk management approaches with regards to the Commodity Murabahah transactions. Consequently, the guiding standards and governance processes in relation to the Commodity Brokers engagement have been enhanced to ensure the operationalisation for the Tawarruq-based products and services is Shariah compliant at all times.
- Screened operational risk incidents reported by Business and Functional Units using the Group's robust mechanism in place to detect any potential Shariah issue and thereafter in evaluating any Potential Shariah Non-Compliance (PSNC) Event which requires the Shariah committee decision/resolution on actual Shariah Non-Compliance (SNC) event or otherwise.
- Enhanced Shariah Risk Profiling methodology to be developed as a guidance for Shariah Committee to measure the level of impact of an incident on the bank, before determining the status of the incident.

Risk Movements

In 2023, no potential Shariah non-compliance events were detected through our stringent Shariah review and audit processes. Similar to other regulatory frameworks, Shariah-related regulations undergo continual evolution in tandem with market dynamics. To uphold stringent compliance standards, we are actively engaged in continuous monitoring and bolstered efforts in Shariah governance. This proactive approach ensures that any non-compliance findings are promptly addressed, with measures implemented to mitigate recurrence. As RHB's Islamic entities strive to deliver enhanced value for our Islamic customers, it's acknowledged that the risk of non-compliance may escalate in tandem with the expansion of this business segment.

Outlook

We maintain active collaboration with stakeholders to enhance our management strategies. Our efforts include adherence to policies and directives outlined by regulatory bodies, including the Shariah Risk Profiling Methodology and Shariah Non-Compliance Stress Scenarios. Moreover, we invest in the Group's Human Capital to foster a Shariah-compliant culture in the Shariah ORM team and across Business and Functional Units. These strategies are reinforced through the implementation of advanced Shariah-intelligent data analytics tools, ensuring automated and resilient support for our operations.

Our Capitals:

HC MC IC

Strategy:

QG CX PB

Stakeholders:

RE CU SI EM FI

Material Matters:

GB SF

Key Risks and Mitigation

SUSTAINABILITY RISK

SR

Risk Evaluated

Sustainability risks refers to Environmental, Social and Governance (ESG) - related risks arising from own operations as well as through financing and investment activities. Sustainability risks, if left unmanaged, can have significant financial, regulatory, and reputational impacts for the Group.

Impact on Value

Sustainability risks impair the assets and key capitals that we leverage to create financial value for internal and external stakeholders.

Environmental issues such as climate change exposes the Group to physical and transition risks.

Social issues such as human rights, labour practices and community engagement may have operational and reputational implications to the Group.

Governance issues such as poor corporate governance practices may impact the Group in legal and regulatory contexts.

Mitigation Measures

- Established a robust sustainability governance structure to ensure effective oversight on sustainability and climate-related risks and opportunities.
- Rolled out initiatives set by RHB Group's 5-Year (2022-2026) Sustainability Strategy & Roadmap that underlines the Group's focus and commitment to the sustainability and climate agenda across the value chain.
- Incorporated sustainability risk-related policies and guidelines into the RHB Group Credit Policy and local country-level credit policies.
- Developed Group Climate Risk Management Framework and Policy to set out the overarching principles and guiding standards for sound climate risk management in accordance to the Climate Risk Management and Scenario Analysis (CRMSA) Policy issued by BNM covering Governance, Strategy, Risk Appetite, Risk Management, Scenario Analysis and Disclosure.
- The said framework and policy amongst others incorporate climate risk management governance structure, clear roles and responsibilities of Board, Senior Management and 3 Line of Defence ("LOD").
- Incorporated climate-related risk in the risk management frameworks/policies and processes of credit risk, market risk operational risk, liquidity risk and insurance/takaful underwriting and reserve risk to ensure our exposures to climate-related risks and their transmission to other risk types are appropriately identified and dealt with
- Developed the Group's position regarding the financing of thermal coal and coal-fired power plant projects.
- Implemented a comprehensive No Deforestation, No Peat, No Exploitation ("NDPE") policy.
- Established Climate-related Risk Appetite Statements ("RAS"), Key Risk Indicators ("KRIs") and Metrics to monitor the risk levels as monitoring measures and management actions will be taken if the risk thresholds are triggered.
- Enhanced the ERA tool by expanding and strengthening the assessment on environmental (including climate-related), social and governance.
- Incorporated both quantitative metrics and qualitative questions that align with BNM Due Diligence Questions ("DDQ") and Climate Change Principle and Taxonomy ("CCPT"), which will be rolled out in Q1 2024.
- Developed sector-specific underwriting guide for clear understanding and approach to apply different underwriting levers to steer the Bank's portfolio towards decarbonisation, manage ESG and climate-related risks, and comply with regulatory requirements.
- Utilised the Group's ESG Eligible Business Activities Guidelines as a classification system for green, social, and sustainable financing initiatives.
- Developed the Group's ESG Supplier Code of Conduct, to promote responsible and sustainable practices across the Group's supply chain.
- Embarked on strategic collaborations with industry partners to jointly engage with customers, particularly the SMEs across Malaysia to facilitate their transition towards sustainable and low carbon practices.
- Established the Group Sustainability Capability Building Framework, where the Group has been rolling out learning modules and programmes across Foundational, Intermediate and Advanced levels for all employees and the critical functions within the 3 LODs towards enhancing employees' knowledge on the overall principles of ESG and climate management.
- Conducted the Group's first independent assurance on the Group's selected material Sustainability KPIs and achievements, for the Group Sustainability Report since 2022, based on the Group's 5-Year Sustainability Strategy and Roadmap.

Key Risks and Mitigation

SUSTAINABILITY RISK (CONT'D)

SR

Risk Movements

Sustainability risks are increasingly taking centre stage as awareness of sustainability issues grows within the financial sector. Companies and financial institutions, in particular, must cultivate resilience, innovation, and adaptability to navigate evolving regulatory requirements, respond to market forces, and align with global sustainability commitments. Environmental risks, notably climate-related risks, are paramount concerns for investors and analysts due to their potential to disrupt businesses both physically and transition risks that disrupt business. Consequently, businesses are embracing net-zero ambitions and charting pathways to reduce emissions, thus working towards a climate-resilient future. This transition underscores a broader cross-sectoral paradigm shift towards a low-carbon economy, prompting the need for robust ESG- and climate-related governance, strategic planning, risk management, and transparent disclosures.

Social risks such as human rights and forced labour are also coming to the fore, given public visibility around these issues in some of our operating markets. The emergence of ESG risks necessitates that businesses incorporate significant social risks and impact considerations into their business models, strategies, and risk management frameworks. Presently, companies are required to oversee ESG aspects throughout all of their operations and supply chains. This obligation arises not only from business imperatives but also from the enforcement of new ESG regulations.

Governance risks such as poor corporate governance practices, lack of effective board oversight or procedures to monitor and control risks could adversely impact financial stability and reputation. Sustainability issues are typically followed by heightened regulatory and legislative oversight, particularly for financial institutions that may be exposed to regulatory fines and implications.

Outlook

Given the urgency to achieve sustainable development goals and adherence to the Paris Agreement’s recommendations, addressing sustainability and climate-related risks remains a paramount concern for us. The Group continues to strengthen its Sustainability and climate-risk management through the initiatives under the Group Sustainability Strategy and Roadmap, which is aligned to the Group’s 3-year (2022-2024) Strategy (TWP24). The Group Sustainability Strategy and Roadmap is driven by the pillars of Sustainable and Responsible Finance, Embedding Good Practices, and Enriching and Empowering Communities, as well as by our climate pillar – Committed To Achieving Net Zero by 2050, our 5-Year Sustainability Strategy and Roadmap integrates sustainable practices across the Group’s business activities, operations and decision-making processes, and is key to creating long-term value for the Group and our key stakeholders.

▲ For additional insights into the Bank’s sustainability endeavours, kindly refer to our 2023 Sustainability Report.

Our Capitals:

NC SRC FC MC HC

Strategy:

QG PB CX

Stakeholders:

BD CU EM SI
RE CO SS FI
BP RA AN ME

Material Matters:

GB DC SF FI DI CX
FC SC CC ES T EHS
DO CE

Key Risks and Mitigation

INTEREST RATE RISK IN THE BANKING BOOK/RATE OF RETURN RISK IN THE BANKING BOOK IBR

Risk Evaluated

The risk of losses in 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.

Impact on Value

Interest rate risk in the banking book directly impacts on profit margins and, therefore, the financial value of our books.

Mitigation Measures

- Monitored risk exposures against risk limits (Management Action Triggers [MAT] and Risk Appetite [RA]).
- Conducted regular stress test to assess adequacy of capital in cushioning the impact of extreme interest/benchmark rate movements on the balance sheet.
- Adhered to established escalation process to ensure governance and compliance.

Risk Movements

The continuous increase in US Federal Reserve Funds rate since 2022 has pressured other countries to raise their own interest rates. In 2023, the US Federal Reserve increased its rate by 1%; whilst BNM increased the OPR by 25bps. There was no significant change in the shape of the yield curve and the Group's balance sheet mix. Interest rate shocks remained adequate to assess interest rate risk in banking book, and exposures are well within the risk limits.

Outlook

The Federal Reserve has indicated interest rate cuts in 2024 if inflation moves towards 2%. Market anticipates rate cuts in Quarter 2 2024. On the domestic front, BNM is likely to maintain the OPR at current level until second half of 2024.

Our Capitals:

NC SRC FC MC HC

Strategy:

QG

Stakeholders:

RE CU SI

Material Matters:

GB SF

Key Risks and Mitigation

REPUTATIONAL RISK

RR

Risk Evaluated

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, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures.

Impact on Value

Reputational risk undermines public confidence in the Group, affecting share price and, therefore, financial value. Lack of public trust prevents RHB from serving more stakeholders.

Mitigation Measures

- Prioritised robust corporate governance and fostered a culture of integrity throughout the Group.
- Sustained an exceptionally low-risk tolerance, with no tolerance for events detrimental to the Group's reputation.
- Implemented effective risk management strategies, including the cultivation of "reputation capital" and the nurturing of goodwill among crucial stakeholders.
- Established rigorous mechanisms to detect and address any significant breaches in regulatory compliance or matters posing reputational risks promptly.
- Emphasised open lines of internal and external stakeholders' communication.

Risk Movements

The likelihood and impact of Reputational Risk are influenced by various other risk factors, leading to fluctuations in likelihood and impact. To address this, the Group maintains a Reputational Risk Management Policy, encompassing essential components such as a code of conduct, governance practices, risk management strategies, policies, procedures, and training. This Policy acknowledges the substantial impact of reputational risk on value creation.

Outlook

In our continuous monitoring and mitigation of diverse risks, we strive to communicate our proactive risk management endeavours in a manner that fosters confidence. This approach effectively safeguards against reputational risks. Over time, RHB has cultivated a reputation as a dependable community banking partner. While our focus remains on averting and addressing inadvertent reputational risks, we actively reinforce our positive standing as a reliable community banking partner through dedicated efforts in reputational risk management.

Our Capitals:

SRC FC

Strategy:

QG PB

Stakeholders:

RE CU SI EM
ME AN

Material Matters:

GB SF FC

Key Risks and Mitigation

CORRUPTION RISK

CR

Risk Evaluated

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, with or without 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 violate the law and the code of ethics and its policy and procedures.

Impact on Value

As a financial institution entrusted with public funds, acts of corruption can tarnish the Group's business relationships, public perception and cripple its reputation. The impact can be far reaching both financially and non-financially including regulatory fines, legal penalties and reputational damage.

Mitigation Measures

- Held RHB Banking Group's Integrity Day on 14 November 2023 to reaffirm the Group's commitment 'towards a corrupt free financial institution'.
- Continued to incorporate anti-bribery and corruption clauses in the terms and conditions of agreements/contracts entered into by the Group.
- Continued creating awareness on good business governance and ethical workplace conduct by having targeted training for identified departments on anti-bribery & corruption as well as publishing flyers/risalah (monthly) and bulletins (quarterly) on anti-bribery and corruption, gifts & hospitality and whistleblowing; amongst other related topics to raise awareness and also as reminder to employees.
- Continued to conduct 'integrity vetting' via Sistem Tapisan Keutuhan (e-STK) platform which is administered by the Malaysian Anti-Corruption Commission for all Key Senior Management and Board of Directors appointment as well as Corporate Sponsorship requests.
- Undertook comprehensive review of the Group's existing policies and procedures, such as the Anti-Bribery & Corruption Policy, Group Whistleblowing Policy and Group Gifts & Hospitality Guidelines, ensuring adequate inclusion of regional considerations within these documents.
- Carried out the Annual Material Risk Assessment (MRA), including corruption risk within its risk library. The objective was to ensure that corruption risks receive appropriate attention by identifying areas of heightened concern ('hot spots') while also confirming the adequacy of existing controls.

Risk Movements

Section 17A of the Malaysian Anti-Corruption Commission Act introduced the element of Corporate Liability which holds a corporation liable for acts of corruption carried out by its Associated Persons which includes Directors, Senior Officers, Employees including but not limited to agents and service providers. The focus on promoting clean, transparent, and corruption-free business practices has intensified, drawing heightened scrutiny from regulatory bodies and enforcement agencies. This underscores the necessity for corporations to establish robust procedures ensuring the integrity of their operations and transactions. In parallel, the National Anti-Corruption Plan (NACP) 2019-2023 emphasises initiatives aimed at bolstering governance within both governmental and government linked entities. Mandated under the NACP, corporations are required to furnish plans aimed at pre-empting and eliminating corruption, fostering a culture of ethical conduct and accountability.

Outlook

The commitment to upholding a corruption-free environment within RHB Banking Group remains steadfast, with ongoing investments in resources to reinforce this principle. The Organisational Anti-Corruption Plan (OACP) 2022-2026, introduced and unveiled in 2022, stands as a blueprint to deter any wrongdoing with the support of appropriate mechanisms aimed at prevention, detection, and resolution of any instances or potential threats of bribery and corruption. Moving forward, RHB Banking Group will persist in its dedication to implementing and adhering to the principles outlined in the OACP, ensuring integrity and transparency across all facets of its operations.

Our Capitals:

SRC FC

Strategy:

QG

Stakeholders:

RE CU SI SS
ME EM

Material Matters:

GB SF EHS

Our Value Creating Business Model

Purpose Statement

MAKING PROGRESS HAPPEN FOR EVERYONE

Brand Promise

TOGETHER WE PROGRESS

We leverage various resources...

to drive our business...

INPUTS

HC

HUMAN CAPITAL

- **13,968** employees
- Invested **RM32.6 million** in learning and development programmes
- Rolled out **36** employee engagement initiatives
- Empowered **28** female leaders through the Women in Leadership League ("WILL") and Emerging Women Leaders programmes

FC

FINANCIAL CAPITAL

- Total Assets: **RM328.7 billion**
- Securities Portfolio: **RM79.9 billion**
- Deposits from Customers: **RM245.1 billion**
- Shareholders' Equity: **RM30.9 billion**
- Market Capitalisation: **RM23.4 billion**

MC

MANUFACTURED CAPITAL

- **286** offices and branches across the ASEAN region
- **1,714** self-service terminals in Malaysia which includes ATMs, Cash Deposit Machines, Cheque Deposit Machines, Cash Recycler Machines and Coin Deposit Machines

IC

INTELLECTUAL CAPITAL

- Actively participates in industry associations in Malaysia and across ASEAN, including 4 Sustainability and climate-related committees/sub-committees
- Digital platforms such as:
 - > RHB Online Banking
 - > RHB Insurance Mobile App
 - > RHB Mobile Banking App
 - > RHB TradeSmart
 - > RHB Reflex Online Banking
 - > RHB Share Trading
 - > RHB Reflex Mobile App
 - > RHB Investment Apply Now
 - > RHB SME Online Financing
 - > RHB Futures GTS
 - > RHB Financing (SME)
 - > RHB Partners App
 - > RHB Financing (SME) Mobile App
 - > RHB MyHome App
 - > RHB Online Insurance
 - > API Ecosystem

SRC

SOCIAL AND RELATIONSHIP CAPITAL

- Number of registered suppliers: **695 (648 local suppliers)**
- Invested approximately **RM5 million** in community initiatives
- Invested **over RM2.3 million** to Nurturing Future Generations programmes such as RHB X-Cel Academic Excellence programme, RHB X-Cel Star, RHB #Empower, RHB Art with Heart and RHB Money Ma\$ter programme
- Invested **over RM1.2 million** to Lifting Communities programmes such as RHB #JomBiz, RHB Touch Hearts and RHB Touch Hearts 360
- Through Social Harmoni, **close to RM1.4 million** from zakat funds has been distributed for various endeavours

NC

NATURAL CAPITAL

- Total electricity consumed: **38,631 MWh**
- Total water consumption: **115,760 m³**
- Nearly **RM6.7 billion** mobilised in eligible green activities*

MATERIAL MATTERS

GB

DC

SF

FI

DI

CX

FC

SC

CC

ES

T

EHS

DO

CE

STRATEGIC FOCUS

TWP24

Together We Progress 2024

PB

Be Everyone's Primary Bank

CX

Prioritise Customer Experience

QG

Drive Quality Growth

Strategic Focus Areas

- Be the Primary Financial Services Provider
- Integrate into Key Islamic Ecosystem
- Build an Integrated Overseas Business
- Catalyse Sustainability
- Employ Cutting-Edge Technology
- Develop a Future-Ready Workforce
- Accelerate Intelligent Banking Services

Sustainability Pillars

SRF

Sustainable and Responsible Finance

ANZ

Committed to Achieving Net Zero by 2050

EGP

Embedding Good Practices

EEC

Enriching and Empowering Communities

Sustainability Focus Areas

- Sustainable Financial Services
- Financial Inclusion
- Advancing SMEs Towards Sustainable Business Practices
- Reduction of Financed Emissions
- Greening Our Portfolio
- Integration of sustainable and low-carbon practices into our own operations
- Ethics & Conduct
- People & Workplace
- Sustainable Supply Chain
- Nurturing Future Generations
- Lifting Communities

supported by robust governance framework

▲ Please refer to Basis of This Report for the navigation icons.

* This data has been externally assured.

Our Value Creating Business Model

Our Values

- P** PROFESSIONAL **R** RESPECT **I** INTEGRITY **D** DYNAMIC **E** EXCELLENCE

...and deliver meaningful value.

Core Business Segments



Key Risks

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Technology and Cyber Risk
- Regulatory Non-Compliance Risk
- Shariah Non-Compliance Risk
- Sustainability Risk
- Reputational Risk
- Corruption Risk
- Interest Rate Risk in the Banking Book/ Rate of Return Risk in the Banking Book

OUTPUTS/OUTCOMES



Net Profit
RM2.8 billion



Gross Loans
RM222.4 billion



Return on Equity
9.5%



Zakat Distributed to State Zakat Authorities:
RM10 million



Gross Written Premium (GWP):
RM869.2 million



Sustainable Financial Services
RM23.8 billion
mobilised between July 2021 and December 2023.

HUMAN CAPITAL

- Recorded a total of **313,783** training hours (average of 22.46 hours per employee)*
- Diversity of workforce:
 - > Male: **5,621 (40.2%)**
 - > Female: **8,347 (59.8%)**
- Sustainable Engagement Score ("SES"): **89%**
- Employee Retention Rate: **85.4%**

Stakeholders:



SDGs:



FINANCIAL CAPITAL

- Total Assets growth: **5.8%**
- Gross Loans growth: **4.8%**
- Securities Portfolio growth: **15.7%**
- Deposits from Customers growth: **7.9%**
- CET1 Ratio: **16.7%**
- Total Capital Ratio: **19.4%**
- Dividend Payout Ratio: **61.1%** or **40 sen** per share
- Net Assets per Share: **RM7.20**

Stakeholders:



SDGs:



MANUFACTURED CAPITAL

- Average number of transactions conducted over RHB branch counters: **5,258,586**
- Average number of transactions conducted through self-service terminals at RHB branches:
 - > ATM: **88,873,764**
 - > Cash Deposit Machine: **12,066,780**
- Number of transactions conducted through self-service terminals:
 - > ATM: **90,303,122**
 - > Cash Deposit Machine: **12,071,103**

Stakeholders:



SDGs:



INTELLECTUAL CAPITAL

- Brand value: **USD991 million**
- ~**83%** of transactions conducted via digital channels
- Digital channel transaction volume: **>650 million**
- Online banking customers grew to **2.5 million**
- ~**45%** of key processes automated
- ~**62%** of systems modernised
- **Rated AA (Leader) for MSCI ESG**
- **Rated Top 25%** by ESG ratings in FTSE Bursa Malaysia EMAS ranking

Stakeholders:



SDGs:



SOCIAL AND RELATIONSHIP CAPITAL

- Achieved SLA of **99.0%** for timeliness in providing resolution to complaints, and **98.7%** in addressing requests
- Net Promoter Score ("NPS"):
 - > RHB MY Group: **+20**
 - > RHB SG Group: **+35**
- **Ranked 2nd** in NPS within the Malaysian financial industry
- Total expenditure on local suppliers: **RM582.3 million**
- Reached **over 50,000** beneficiaries via community initiatives
- Supported **close to 14,000** children and youth through Nurturing Future Generations programmes
- Supported **over 30,000** beneficiaries through Lifting Communities programmes
- Through Social Harmoni, benefitted **over 3,000** asnaf individuals and **13** families

Stakeholders:



SDGs:



NATURAL CAPITAL

- Reduction in GHG emissions by **over 43%** (compared to base year 2016)
- Total GHG emissions (Malaysian operations only): **24,580 tCO₂e**

Stakeholders:



SDGs:





Acting Group Chief Financial Officer's Review



The Group's performance in 2023 continued its trajectory of resilience, supported by strong fundamentals. The Group's net profit for the year ended 31 December 2023 grew 4.8% year-on-year ("YoY") to RM2.8 billion, primarily driven by higher non-fund based income. Return on equity ("ROE") for the year remained commendable at 9.5%.

Phuah Shok Cheng

Acting Group Chief Financial Officer

Total income declined 4.8% YoY to RM7.8 billion primarily due to lower net fund based income which decreased by 14.6% YoY to RM5.5 billion on the back of higher funding costs. The decline is mitigated by an increase from non-fund based income, which increased 30.3% YoY to RM2.3 billion, largely attributed to higher net gain on forex and derivatives, net trading and investment income and fee income.

Operating expenses increased 2.3% YoY to RM3.7 billion, contained with strong discipline in optimising cost. The increase is mainly contributed from Information Technology ("IT") related expenses, which is our priority to enhance customer focus and IT resiliency. The Group posted cost-to-income ratio ("CIR") of 47.5%. Expected credit losses ("ECL") reduced 28.4% YoY to RM301.5 million primarily due to writeback of management overlay. Credit charge ratio stood at 0.16% compared with 0.15% recorded in the previous year.

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

As at 31 December 2023, the Group's balance sheet and capital position remained robust.

Total assets grew 5.8% YoY to RM328.7 billion, reflecting the Group's resilient growth. Net assets per share is at RM7.20, with shareholders' equity standing at RM30.9 billion.

The Group's gross loans and financing grew at a healthy rate of 4.8% YoY to RM222.4 billion, mainly supported by Group Community Banking and Singapore. The growth demonstrated the Group's commitment to capture market opportunities especially in mortgage and SME, and meet customer needs effectively in the community space.

Gross impaired loans ("GIL") was at RM3.9 billion as at 31 December 2023, with a GIL ratio of 1.74%, compared with RM3.3 billion and 1.55%, respectively, a year ago. Loan loss coverage ("LLC") ratio for the Group, including regulatory reserve, was 106.2% as at 31 December 2023. The Group maintained its prudent credit underwriting policy with focus on good collateral coverage thus conserving the provisions required.

Customer deposits rose 7.9% YoY to RM245.1 billion, largely driven by growth in Retail and SME; and Singapore of 12.6% and 36.9% respectively. The composition of Current Account and Savings Account ("CASA") stood at 27.9% while our liquidity coverage ratio ("LCR") remained sound at 177.4%, denoting the Group's continued focus on strengthening its deposit base and liquidity profile.

The Group's capital adequacy ratios continued to showcase its solid capital position, with the Common Equity Tier-1 ("CET-1") and total capital ratio standing at 16.7% and 19.4%, respectively. These solid ratios were well above the regulatory requirements and enable us to utilise these capital base for future opportunities and challenges.

Acting Group Chief Financial Officer's Review

SEGMENTAL PERFORMANCE

Group Community Banking 

Posted a 2.8% YoY increase in profit before tax to RM1.9 billion, mainly driven by higher net fund based income and lower ECL. Gross loans and financing grew 5.8% YoY to RM140.9 billion primarily driven by growth in mortgage (+8.6%) and SME (+4.9%). Deposits increased 12.6% YoY to RM115.0 billion, mainly attributed to growth in fixed deposits (+21.5%).

Group Wholesale Banking 

Achieved a profit before tax of RM2.1 billion, marking a 19.1% YoY increase primarily due to higher non-fund based income and ECL writeback. Gross loans and financing declined 3.1% to RM49.1 billion but mitigated by sustained growth in securities portfolio of 17.7%. Deposits shifted from fixed deposits and money market time deposits ("MMTD") to current accounts.

Group International Business 

Faced by challenges in the operating environment, posted a loss before tax of RM182.6 million, compared with a profit before tax of RM425.2 million achieved last year, mainly due to higher ECL and operating expenses. Operation in Singapore remained robust whereby profit before tax was RM170.8 million, and gross loans and financing and deposits grew 17.5% and 36.9% YoY, respectively.

Group Shariah Business 

Posted a profit before tax of RM1.1 billion, marginally lower by 1.0% YoY mainly due to lower net fund based income and higher operating expenses. Gross financing grew 2.8% YoY to RM84.0 billion. Islamic business contributed 44.3% of the Group's total domestic gross loans and financing.

Group Insurance 

Registered a profit before tax of RM99.0 million, a 38.8% YoY improvement attributed to higher net investment income.



Outlook

As we advance into 2024, we anticipate challenges in the global and domestic economic landscape to persist.

Nevertheless, we will continue to seek new opportunities. With our strategic focus and robust fundamentals, we are well-positioned to navigate these dynamics effectively.

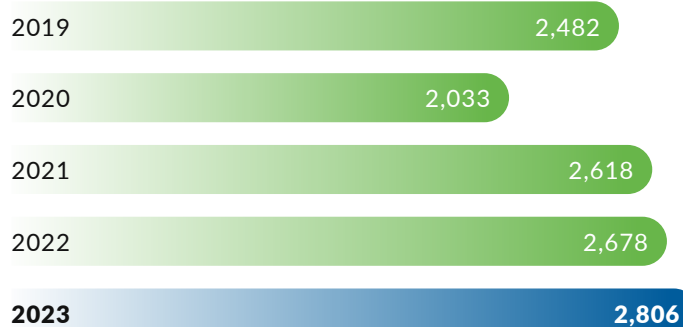
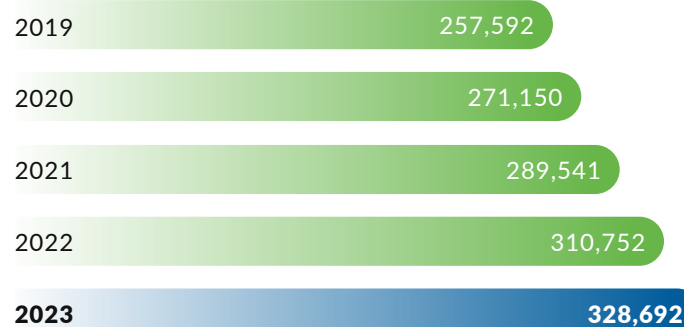
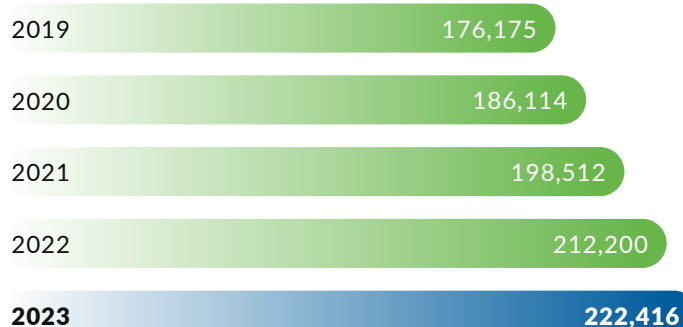
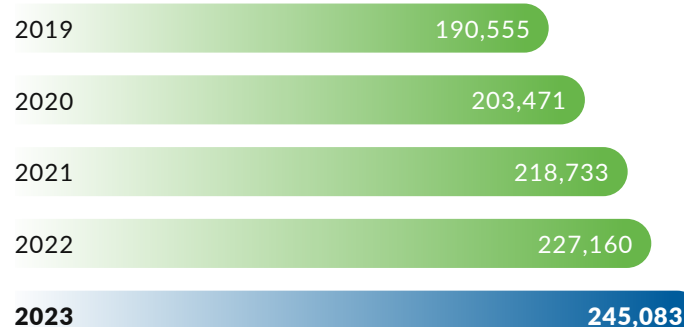
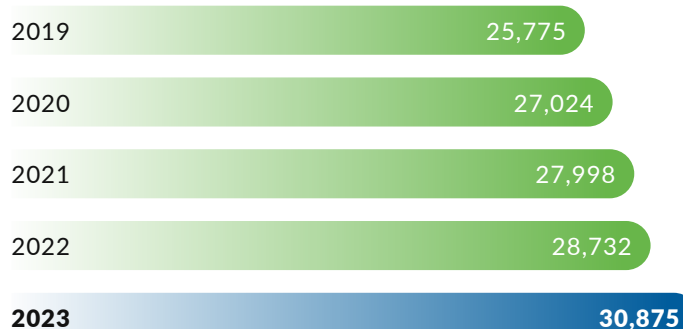
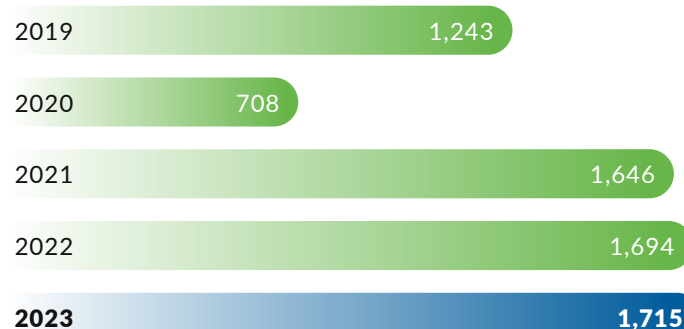
As the Group gears up for the opportunities and challenges in 2024, we stand firm on our aim to deliver operational excellence, customer-centricity, and innovation to drive our progress towards our strategic goals, to ensure that we remain a relevant, resilient and agile player in the financial services sector.



Phuah Shok Cheng
Acting Group Chief Financial Officer

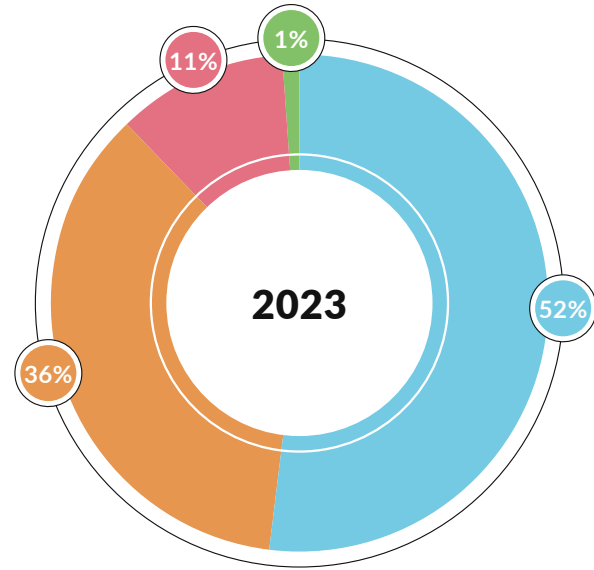
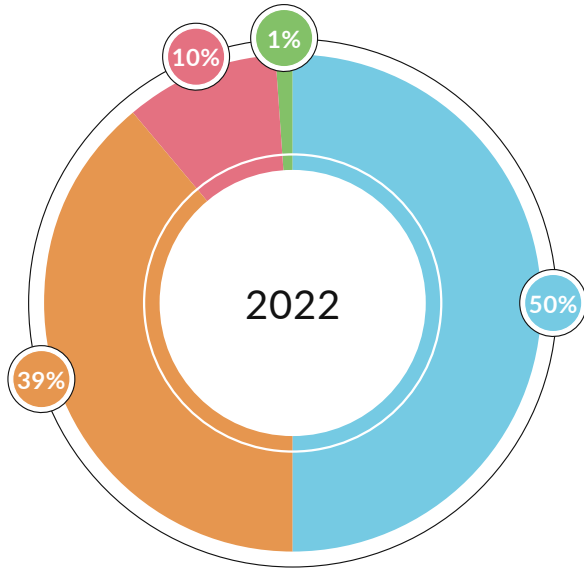
5-Year Financial Summary

	2019	2020	2021	2022	2023
OPERATING RESULTS (RM million)					
Operating profit before allowances	3,670	3,799	4,266	4,554	4,081
Profit before taxation	3,394	2,644	3,529	4,133	3,753
Net profit attributable to equity holders of the Bank	2,482	2,033	2,618	2,678	2,806
KEY BALANCE SHEET DATA (RM million)					
Total assets	257,592	271,150	289,541	310,752	328,692
Gross loans, advances and financing	176,175	186,114	198,512	212,200	222,416
Total liabilities	231,782	244,093	261,511	281,988	297,781
Deposits from customers	190,555	203,471	218,733	227,160	245,083
Shareholders' equity	25,775	27,024	27,998	28,732	30,875
Commitments and contingencies	150,428	157,480	157,777	206,796	246,063
SHARE INFORMATION					
Gross dividend per share (sen)	31.0	17.7	40.0	40.0	40.0
Net assets per share (RM)	6.4	6.7	6.8	6.8	7.2
Net tangible assets per share (RM)	5.6	5.9	5.9	6.0	6.4
Basic earnings per share (sen)	61.9	50.7	64.7	64.0	65.7
Share price (RM)	5.78	5.45	5.37	5.79	5.45
Market capitalisation (RM million)	23,178	21,855	22,247	24,592	23,361
FINANCIAL RATIOS (%)					
Profitability Ratios					
Net return on average equity	10.3	7.7	9.6	9.6	9.5
Net return on average assets	1.0	0.8	0.9	0.9	0.9
Cost-to-income ratio	48.0	47.1	45.2	44.2	47.5
Asset Quality					
Gross loans to deposits ratio	92.5	91.5	90.8	93.4	90.8
Gross impaired loans ratio	1.97	1.71	1.49	1.55	1.74
Dividend					
Dividend yield	5.4	3.2	7.4	6.9	7.3
Dividend payout ratio	50.1	34.8	62.9	63.2	61.1

5-Year Financial Highlights**NET PROFIT***(RM million)***TOTAL ASSETS***(RM million)***GROSS LOANS, ADVANCES
AND FINANCING***(RM million)***DEPOSITS FROM
CUSTOMERS***(RM million)***SHAREHOLDERS' EQUITY***(RM million)***NET DIVIDENDS***(RM million)*

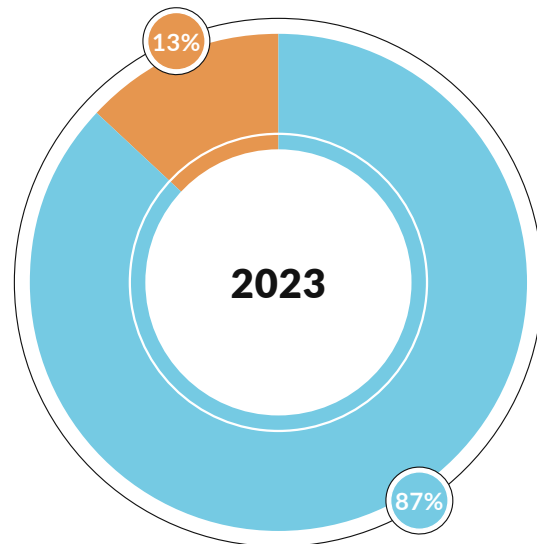
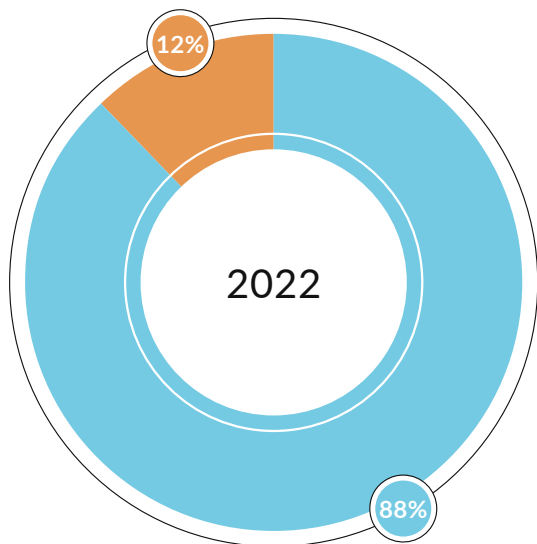
Segmental Analysis

TOTAL INCOME BY BUSINESS SEGMENT



- Group Community Banking
- Group Wholesale Banking
- Group International Business
- Group Insurance

TOTAL INCOME BY GEOGRAPHICAL LOCATION



- Malaysia
- Overseas

Quarterly Performance

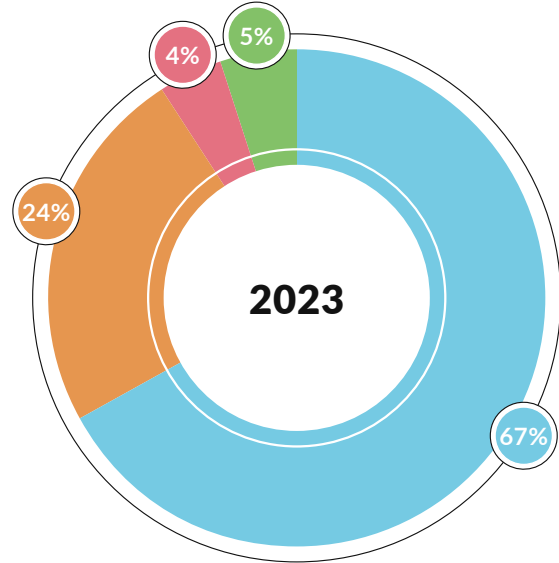
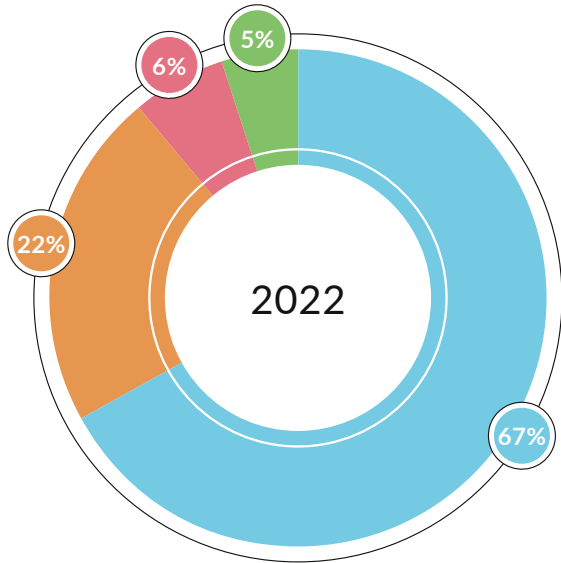
	First Quarter (RM million)	Second Quarter (RM million)	Third Quarter (RM million)	Forth Quarter (RM million)	Total (RM million)
2023					
Net fund based income	1,374	1,345	1,388	1,344	5,451
Non-fund based income	534	534	572	680	2,320
Total income	1,908	1,879	1,959	2,024	7,770
Operating profit before allowances	1,051	936	1,051	1,043	4,081
Profit before tax	1,005	1,063	879	806	3,753
Net profit attributable to equity holders of the Bank	762	809	650	586	2,806
Basic earnings per share (sen)	18 sen	19 sen	15 sen	14 sen	66 sen
Dividend per share (sen)	-	15 sen	-	25 sen	40 sen

	First Quarter (RM million)	Second Quarter (RM million)	Third Quarter (RM million)	Forth Quarter (RM million)	Total (RM million)
2022					
Net fund based income	1,471	1,562	1,629	1,717	6,379
Non-fund based income	382	348	528	522	1,780
Total income	1,853	1,911	2,157	2,240	8,160
Operating profit before allowances	1,022	1,051	1,225	1,256	4,554
Profit before tax	868	1,012	1,032	1,220	4,133
Net profit attributable to equity holders of the Bank	582	630	695	771	2,678
Basic earnings per share (sen)	14 sen	15 sen	17 sen	18 sen	64 sen
Dividend per share (sen)	-	15 sen	-	25 sen	40 sen



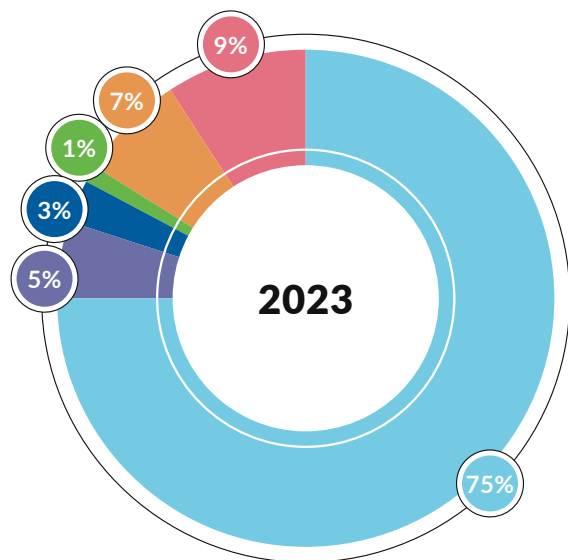
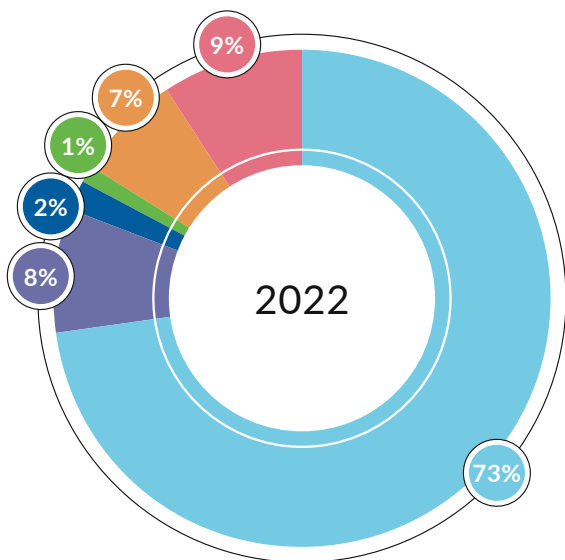
Simplified Group Statements of Financial Position

TOTAL ASSETS



- Loans, advances and financing
- Securities Portfolio
- Cash and short-term funds
- Other assets

TOTAL LIABILITIES & EQUITY



- Deposits from customers
- Deposits and placements of banks and other financial institutions
- Borrowings and senior debt securities
- Subordinated obligations
- Other liabilities
- Shareholders' equity

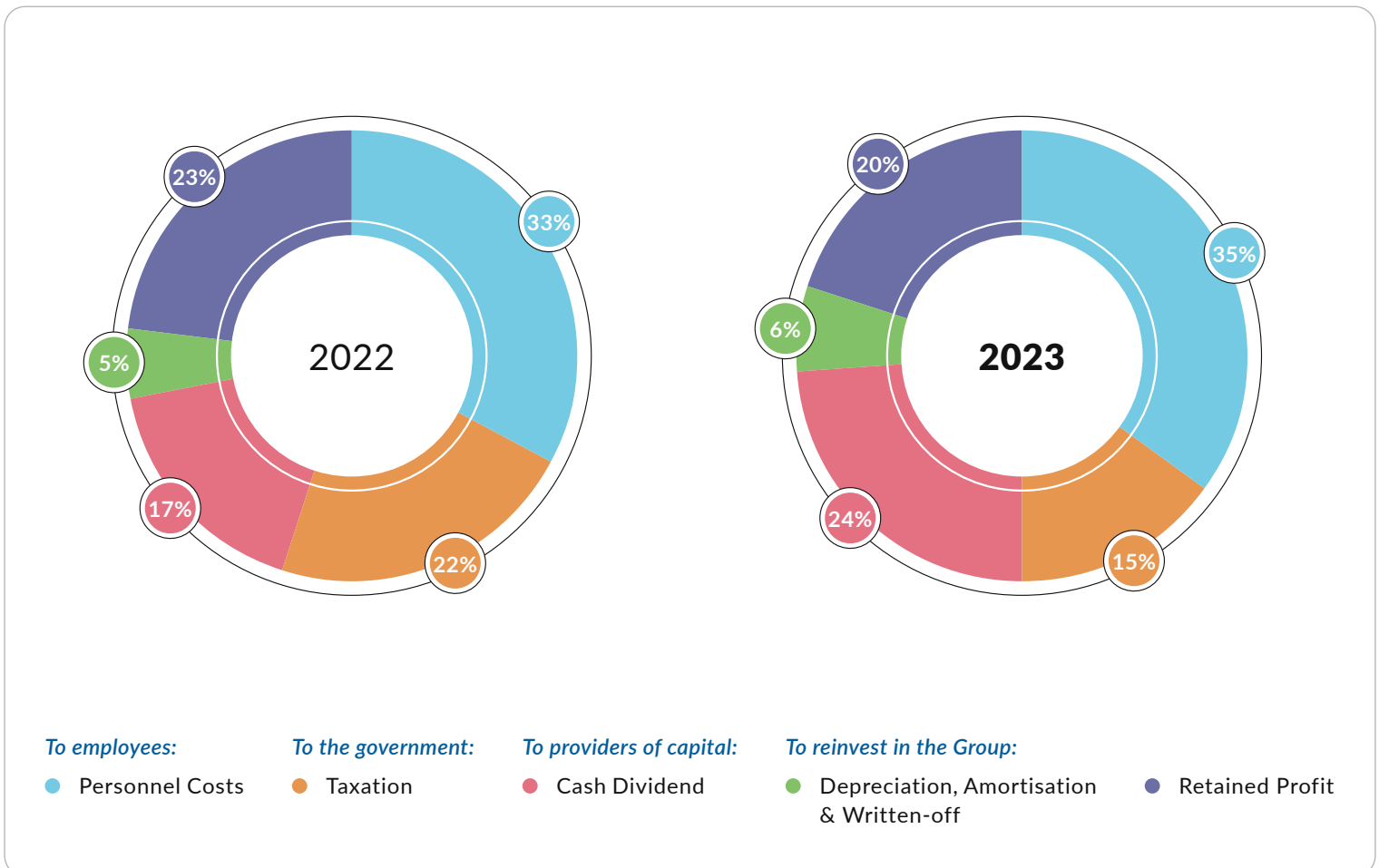
Key Interest Bearing Assets and Liabilities

	Amount (RM million)	Effective interest rate (%)	Interest income/ expense (RM million)
2023			
INTEREST EARNING ASSETS			
Cash and short-term funds & deposits and placements with banks and other financial institutions	15,034	4.16	479
Financial assets at fair value through profit or loss	3,718	3.73	55
Financial assets at fair value through other comprehensive income	47,977	3.72	1,622
Financial investments at amortised cost	28,215	3.96	918
Gross loans, advances and financing	222,416	5.12	10,969
INTEREST BEARING LIABILITIES			
Deposits from customers & deposits and placements of banks and other financial institutions	262,105	3.20	7,805
Recourse obligation on loans sold to Cagamas Berhad	4,332	3.56	162
Borrowings/Subordinated obligations/Senior debt securities	12,657	3.51	352
2022			
INTEREST EARNING ASSETS			
Cash and short-term funds & deposits and placements with banks and other financial institutions	19,787	2.15	400
Financial assets at fair value through profit or loss	3,089	3.44	51
Financial assets at fair value through other comprehensive income	38,974	3.23	1,360
Financial investments at amortised cost	27,007	3.61	750
Gross loans, advances and financing	212,200	4.21	8,800
INTEREST BEARING LIABILITIES			
Deposits from customers & deposits and placements of banks and other financial institutions	251,754	1.83	4,420
Recourse obligation on loans sold to Cagamas Berhad	4,787	3.15	92
Borrowings/Subordinated obligations/Senior debt securities	8,184	3.11	235

Statement of Value Added

	2022 (RM million)	2023 (RM million)
VALUE ADDED		
Net interest income	4,175	3,560
Income from Islamic Banking business	2,398	2,366
Non-interest income	1,587	1,844
Less: Overheads excluding personnel costs, depreciation, amortisation & write-off	(1,068)	(1,091)
Less: Allowance for credit losses & impairment	(421)	(302)
Value added available for distribution	6,671	6,377

Distribution of Value Added



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.

The key principles of the Group CMF are as follows:


PRINCIPLE ONE
Capital Management Governance

- ▶ Governance processes to oversee capital management activities have been implemented and clearly defines roles and responsibilities within the organisation.


PRINCIPLE TWO
Capital Management Activities - Capital Strategy

- ▶ Capital strategy is aligned with the overall business strategy, risk profile and regulatory requirements.


PRINCIPLE THREE
Capital Management Activities - Capital Planning

- ▶ The Group has formulated a comprehensive and forward-looking capital plan to support business growth and ensure sustainability.


PRINCIPLE FOUR
Capital Management Activities - Capital Allocation/Structuring/Optimisation

- ▶ Robust capital management activities allow the Group to efficiently structure capital allocation across its businesses and entities to maximise returns and ensure optimum capital utilisation.


PRINCIPLE FIVE
Capital Analytics

- ▶ This provides insights to formulate the Group's capital management strategy and helps determine capital supply and demand requirements.


PRINCIPLE SIX
Capital Reporting and Monitoring

- ▶ This is essential to ensure the complete, timely and accurate production of capital information for management decisions.

Capital Management

CAPITAL MONITORING AND PLANNING

Effective capital management is crucial to maintain 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:

1

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;

2

Forecasting capital demand

for material risks based on the Group's risk appetite; and

3

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 Group aims to maintain sufficient capital levels to meet regulatory requirements at all times while managing capital in a stable and prudent manner.

Key capital management initiatives undertaken during 2023 was:

1

Basel III-compliant Tier 2 Subordinated Obligations of RM500 million

was issued by RHB Bank in January 2023 out of its RM5 billion (or its equivalent in other currencies) Multi-Currency Medium Term Note Programme.

DIVIDEND REINVESTMENT PLAN

On 25 May 2021, the establishment of a dividend reinvestment plan (“DRP”) for RHB Bank was approved by the shareholders during Annual General Meeting. DRP provides greater flexibility to shareholders to reinvest electable portions of their dividend into new ordinary shares of RHB Bank and at the same time to preserve capital to grow business and withstand capital requirement under stress conditions.

DRP was first applied to the Group's final dividend for the financial year ended 31 December 2020. The dividend reinvestment rate has been encouraging with DRP subscription rate ranging from 83.31% to 87.65% upon implementation. Details of the DRP is disclosed in Note 33 and dividend payout is disclosed in Note 47 of the Financial Statements.

Capital Management

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 was 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.

In addition to CCB and CCyB, BNM also requires financial institutions designated as Domestic Systemically Important Banks ("D-SIBs") to maintain higher capital buffers to meet regulatory capital requirements that include a Higher Loss Absorbency ("HLA") requirement. 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 2023.

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.

	RHB Bank Group	RHB Bank	RHB Islamic Bank	RHB Investment Group	RHB Investment Bank	Minimum Regulatory Ratio ^{N1}
AS AT 31 DECEMBER 2023						
BEFORE PROPOSED DIVIDENDS:						
CET 1 Ratio	17.266%	16.053%	16.125%	44.297%	36.653%	7.000%
Tier 1 Ratio	17.266%	16.053%	16.125%	44.328%	36.653%	8.500%
Total Capital Ratio	19.985%	19.067%	18.882%	47.701%	43.517%	10.500%
AFTER PROPOSED DIVIDENDS:						
CET 1 Ratio	16.673%	15.222%	15.516%	42.528%	32.446%	7.000%
Tier 1 Ratio	16.673%	15.222%	15.516%	42.560%	32.446%	8.500%
Total Capital Ratio	19.392%	18.236%	18.273%	45.932%	39.310%	10.500%

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

Credit Ratings

RHB BANK BERHAD

RAM Rating Services Berhad	Long-Term Financial Institution	Short-Term Financial Institution	Outlook	
	AA1	P1	Stable	
Moody's Investors Service	Long-Term Bank Deposits	Short-Term Bank Deposits	Baseline Credit Assessment	Outlook
	A3	P-2	baa1	Stable
Standard & Poor's Rating Services	Long-Term Financial Institution	Short-Term Financial Institution	Outlook	
	BBB+	A-2	Stable	

RHB INVESTMENT BANK BERHAD

RAM Rating Services Berhad	Long-Term Financial Institution	Short-Term Financial Institution	Outlook	
	AA1	P1	Stable	

RHB ISLAMIC BANK BERHAD

RAM Rating Services Berhad	Long-Term Financial Institution	Short-Term Financial Institution	Outlook	
	AA1	P1	Stable	

Balance Sheet Management**BALANCE SHEET STRUCTURE**

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.

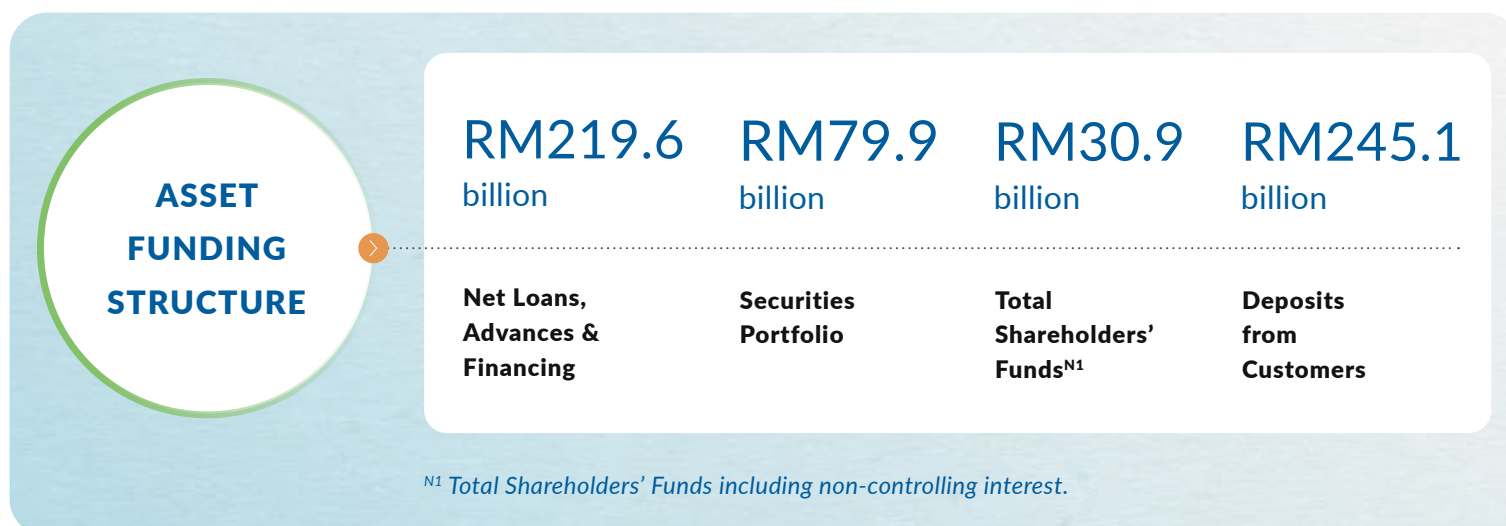
The synergy among all business and functional units across the Group is essential in driving and shaping the optimal balance sheet position of the Group through alignment in strategies. The overarching strategies are reviewed and deliberated by the Group Asset and Liability Committee ("GALCO"), where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

The foundation of RHB's asset funding is built on shareholders' equity, long-term debt and core customer deposits. Through strategic balance sheet management, the Group's securities portfolio and total net loans, advances and financing increased by RM10.8 billion and RM11.2 billion respectively to RM79.9 billion and RM219.6 billion as at 31 December 2023. The asset growth was achieved with greater focus on credit quality.

The funding, acquisition and product mix strategies are reviewed regularly to ensure sustainability and cost-efficiency. The continuous efforts of and collaborations between various businesses have resulted in the Group's customer deposits growth of 7.9% year-on-year (December 2022: 3.9%) despite the market competition for deposits intensifying in FY2023 amidst an increasing interest rate environment.

Our stable deposit base and long-term debt are the primary sources of funds to support asset growth. Diversification of deposit and funding sources has been our ongoing long-term strategy. Deposit acquisition from community banking, including retail and SMEs and wholesale businesses are managed through our strong relationships with customers and increasing focus on digital channels.

The table below shows the asset funding structure as at 31 December 2023.



Investor Relations

The Group is committed to ensuring that information regarding corporate strategies and financial performance is shared with investors and stakeholders in a timely and clear manner.

We believe that maintaining ongoing interactions and open communication with our stakeholders is essential for fostering trust and mutual understanding with the Company and its stakeholders.

To manage its communication with key financial stakeholders, such as institutional investors, financial analysts, fund managers, and credit rating agencies, the Group has in place a dedicated investor relations unit. Various methods of communication are employed, including individual and group meetings, conferences, roadshows, conference calls, emails, and the corporate website.

Following the announcement of financial results on Bursa Malaysia, the Group also organises presentations and conference calls. A wide array of public communication mediums, such as stock exchange news services, the corporate website, news wires, and news distribution services, are utilised to broadcast press releases.

The Company's corporate website serves as a repository for the most recent and historical financial data and other relevant information, including financial statements.

In 2023, we continued our engagements with the investing community through conferences and meetings with both local and foreign investors. Virtual platform continued to be Investor Relation's main communication mode during the year.



2022

50 meetings

642 participants



2023

39 meetings

466 participants

IR conducted:

- Analysts Briefings for Financial Results Announcements

Corporate website: www.rhbgroup.com

Email: investor.relations@rhbgroup.com

FINANCIAL RESULTS ANNOUNCEMENT

27 February 2023

RHB Bank FY2022 Results

26 May 2023

RHB Bank 1Q23 Results

29 August 2023

RHB Bank 2Q23 Results

27 November 2023

RHB Bank 3Q23 Results

* All the analysts briefings in 2023 were conducted virtually.

CONFERENCES

6 Jan 2023

JP Morgan ASEAN Financials Forum 2023

9 Mar 2023

CLSA ASEAN Forum 2023

6 Jun 2023

Macquarie Asean Bank Tour

22 Sep 2023

JP Morgan ASEAN Financials Forum 2023

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 forward to the Board, management and chairs of the various committees.

ANALYST COVERAGE LIST

- 1 Affin Hwang Investment Bank
- 2 AmResearch
- 3 CGS-CIMB Securities
- 4 Citi Investment Research
- 5 CLSA Securities
- 6 Hong Leong Investment Bank
- 7 JP Morgan Securities
- 8 KAF-Seagroatt & Campbell Securities
- 9 Kenanga Investment Bank
- 10 Macquarie Research
- 11 Maybank Investment Bank
- 12 MIDF Amanah Investment Bank
- 13 Nomura Research
- 14 TA Securities
- 15 UBS Securities
- 16 UOB Kay Hian

Focus Areas

▶ OVERALL STRATEGY

- TWP24 strategy - progress update and key challenges
- Merger & Acquisition, divestment opportunity for RHB and overall consolidation of banking industry
- Strategy to achieve return on equity target
- Macroeconomic and banking outlook
- Updates on ESG Framework
- Digital Banking license - core strategies and progress update
- Monetisation of fixed income securities
- Plans for branch optimisation

▶ LOANS

- Key drivers for loans growth
- Mortgage
- SME
- Singapore operations

▶ COST MANAGEMENT

- Managing IT and Digital spending
- Improvement in cost-to-income ratio

▶ ASSET QUALITY

- Credit cost guidance
- Restructured and rescheduled accounts
- Exposure to vulnerable sectors
- Potential formation in impaired loans
- Plans to improve Loans Loss Coverage Ratio

▶ LIQUIDITY & FUNDING

- Deposits outlook
- CASA growth
- Net interest margin outlook and direction for Overnight Policy Rate
- Updates on Mysiswa initiative

▶ CAPITAL MANAGEMENT PLAN

- Outlook for future dividend payout ratio
- Target capital ratios



Group Community Banking



Group Community Banking (“GCB”) demonstrated a strong performance despite a challenging year for the communities that we serve. Our loans and deposits demonstrated notable growth at 5.8% and 12.6% year-on-year, respectively. Proactive measures to manage our retail loan assets put our asset quality in a better position than the market at 0.94% vs 1.34%. We continue to support our SME and Retail customers in achieving their financial goals and contributing to the Group’s overall growth.

▶ WHAT WE DO

Group Community Banking comprises Group Retail Banking and SME Banking segments. We serve over 4.4 million individual clients and more than 210,000 businesses, offering a range of both conventional and Shariah-compliant consumer and SME banking solutions.

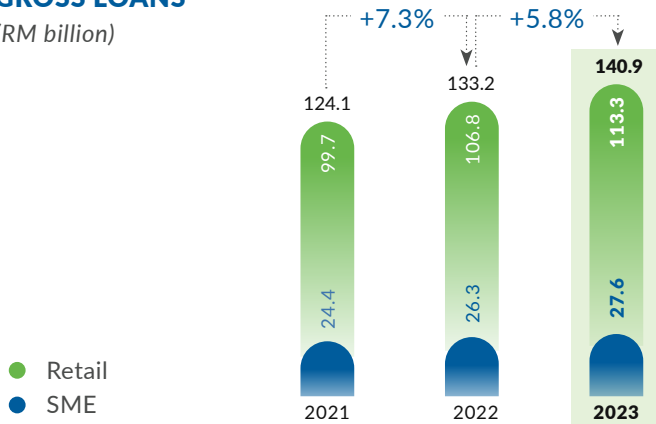
Our Retail Banking segment delivers consumer banking solutions, including Wealth Management, Bancassurance, Mortgage, Auto Financing, ASB Financing, Personal Financing, Credit Card Payments and Deposits, while our SME Banking segment offers business financing solutions tailored to SMEs and family-run businesses.

OUR FINANCIAL PERFORMANCE

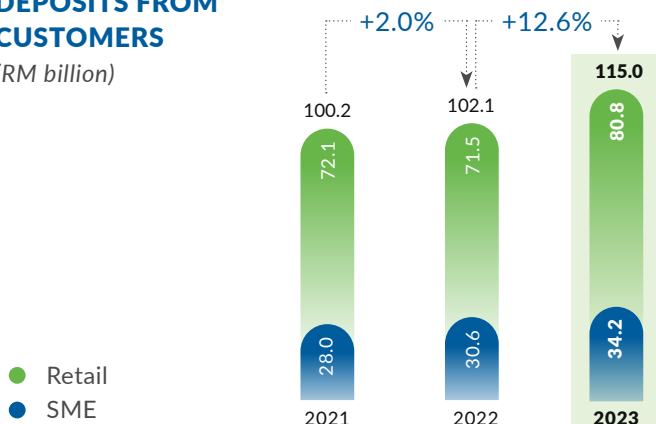
Group Community Banking recorded a profit before tax of RM1.9 billion, largely as a result of an increase in net fund based income and lower expected credit losses (“ECL”). There was a 5.8% annual increase in gross loans and financing, reaching RM140.9 billion, with significant growth in personal financing (+8.3%), credit cards (+14.1%), auto financing (+7.8%), and mortgages (+8.6%). Year-on-year, deposits saw a 12.6% rise to RM115.0 billion, with the surge in fixed deposits (+21.5%) being a major contributor to this growth.

Balance Sheet

GROSS LOANS (RM billion)

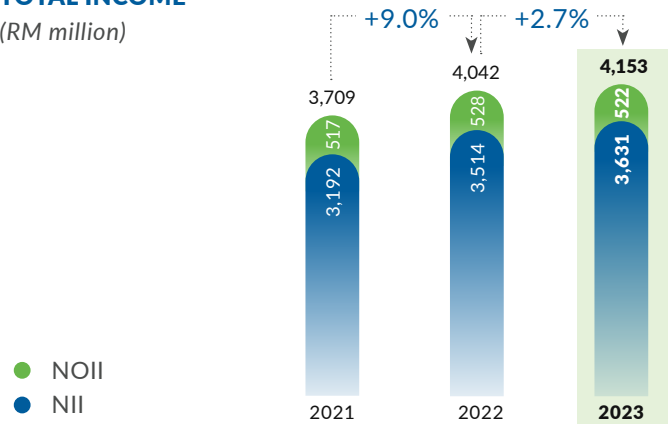


DEPOSITS FROM CUSTOMERS (RM billion)

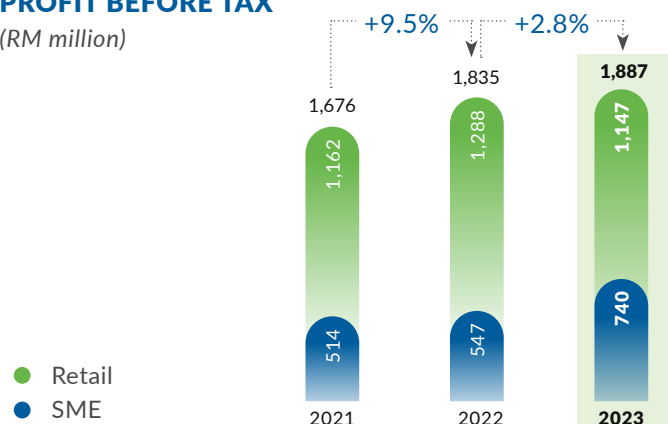


Income Statement

TOTAL INCOME (RM million)



PROFIT BEFORE TAX (RM million)



Group Community Banking

OUR STRATEGIC PERFORMANCE

▶ TWP24 GOAL: MASS AFFLUENT - CREATE WINNING PROPOSITIONS

Our Initiatives

- Expanded the current customer base through compelling value propositions
- Implemented hyper-personalisation to offer tailored solutions that align with individual customer personas throughout their life stages and interactions
- Utilised a cost-effective digital service model to serve customers

Outcomes

- Mass Affluent Customers: **348,000 (+8.3% YoY)**
- Total Deposit and Wealth AUM: **RM11.5 billion (+3.3% YoY)**
- Total Secured and Unsecured Loans: **RM28.8 billion (+10.8% YoY)**

▶ TWP24 GOAL: WEALTH - BECOME AN END-TO-END WEALTH PROVIDER

Our Initiatives

- Transformed our wealth proposition from a product-centric approach to advisory, needs-driven selling by enhancing the skills of our sales team
- Boosted growth by employing segment-specific solutions and strategies, harnessing the power of digitalisation and data analytics
- Became the Islamic Wealth Management advisor of choice by introducing a comprehensive range of products and services

Outcomes

- Total Wealth Asset Under Management ("AUM") (including Bancassurance): **RM4.4 billion (+9.2% YoY)**
of which:
Islamic Wealth AUM including Bancassurance: **RM705 million**
- Affluent Customer: **156,000 (+1.7% YoY)**
- Affluent Deposits and Wealth AUM: **RM62.1 billion (+14.6% YoY)**

▶ TWP24 GOAL: SME - BUILD SECTORIAL EXPERTISE AND EXPAND ECOSYSTEMS

Our Initiatives

- Grew Retail SME segment through digitalisation and customised offerings
- Strategic expansion of the middle market segment by employing hyper-personalisation in strategic sectors
- Enhanced Ecosystem Play by seamless digital on-boarding, strengthening ecosystem and monetising partners ecosystem

Outcomes

- Total Loans: **RM27.6 billion (+4.9% YoY)**
- Market Share (SME Banking)¹: **7.7%**
- Total Deposits: **RM34.2 billion (+11.9% YoY)**

▶ TWP24 GOAL: DIGITAL TRANSFORMATION - ELEVATING CUSTOMER EXPERIENCE AND ACCESSIBILITY THROUGH ENHANCED PLATFORMS AND STREAMLINED ONBOARDING

Our Initiatives

- Discontinued RHB Now and migrated to new RHB Online and Mobile Banking platforms to ensure a seamless customer experience
- Continuous features enhancement and a streamlined digital onboarding process, resulting in improved digital adoption and penetration among customers

Outcomes

- RHB Online and Mobile Banking:
 - Digital users: **2.5 million (+43.9% YoY)**
 - Penetration rate²: **88.9% (+15.3% YoY)**
- Sales composition generated via digital channels³: **63.4% (RM8.1 billion)**

Note:

¹ SME market share: Based on RHB's SME definition, which differs from Bank Negara Malaysia's definition of SME.

² Penetration rate: Against the eligible base.

³ Digital sales: Refers to mortgage, personal financing (non-deduction at source) and cashxcess only.

Group Community Banking

AWARDS & RECOGNITIONS

Asian Banking & Finance Retail Banking Awards 2023



Domestic Retail Bank of the Year

Malaysia



Millennial Product Initiative of the Year

Malaysia

17th Annual Southeast Asia Best Financial Institution Awards 2023



Best Digital Bank in Malaysia

Retail Banker International Asia Trailblazer Awards 2023



Excellence in SME Banking



Best Mortgage Offering



Best Debit Card Initiative



Excellence in Loan Origination Process



Trailblazing Use of AI or Machine Learning in Financial Services



Outlook

We will continue to focus on promoting sustainable finance, particularly among SMEs.

In line with this, we aim to take the lead in nurturing and facilitating SMEs' transition to low-carbon practices through strategic partnerships, and leveraging BNM's Low-Carbon Transition Facility ("LCTF"), and supporting the National Energy Transition Roadmap ("NETR").

We will step up our efforts to grow non-interest income and accelerate our digital transformation to provide greater accessibility and achieve operational efficiency.

Group Wholesale Banking

Group Investment Banking



Group Wholesale Banking (“GWB”) encompasses several of RHB’s key business segments including Investment Banking, Corporate Banking, Commercial Banking, Treasury and Global Markets, Asset Management, and Transaction Banking. Supported by the RHB Research and Economics teams, GWB offers comprehensive and end-to-end services spanning various products and financing solutions as well as advisory to meet the needs of our clients in Malaysia and the wider region. Leveraging the combined expertise and potential synergies across our business segments, we facilitate our clients’ advancement while also unlocking new opportunities and fortifying our market presence.

Amidst a challenging operating environment, GWB achieved a 19.1% year-on-year (“YoY”) increase in profit before tax primarily due to higher non-fund based income and expected credit losses (“ECL”) writebacks. Gross loans and assets declined marginally by 0.3% to RM57.2 billion and deposits contracted by 4.4% YoY to RM92.8 billion from lower fixed deposits. However, we had robust CASA growth across our Corporate and Commercial portfolios.

Group Investment Banking

In 2023, investors adopted a cautious approach even as signs of a gradual recovery became evident amidst a slow-paced rebound. Despite facing macroeconomic challenges, Group Investment Banking kept its competitive edge by fostering strong client relationships. We successfully maintained our leading position in Ringgit Bonds, Sukuk, Mergers and Acquisitions (M&A), and Call Warrants. Additionally, we secured a Top 5 ranking in Equities Broking and played a significant role in several noteworthy Debt and Equity Capital Markets transactions within Malaysia. Our accomplishments and the value we delivered to our clients were achieved through effective collaboration across various business units within Group Wholesale Banking.

▶ WHAT WE DO

Group Investment Banking offers a full range of capital market products, such as Debt Capital Markets (“DCM”), Equity Capital Markets (“ECM”), Corporate Finance (“CF”), Mergers & Acquisitions (“M&A”) advisory services and investment products to Large Cap and Mid Cap, conglomerates, as well as to Government and Government-linked companies and agencies in the region. Our fundraising activities in the primary market include equity and equity-linked instruments, bonds, and various debt instruments. In the secondary market, we offer an integrated equity trading and broking platform for institutional and retail clients. In addition, we provide structured investment ideas and products to retail clients and corporates. In line with the Group’s **Together We Progress** (“TWP24”) corporate strategy, Group Investment Banking strives to maintain its Top 3 leadership position in investment banking in Malaysia by providing relevant solutions to our clients.

OUR FINANCIAL PERFORMANCE

Amid challenging macroeconomic and geopolitical conditions, we have remained committed to executing our strategic goals in driving competitiveness and consistently delivering value for our clients across all products, in line with the Group’s TWP24 corporate strategy.

We have preserved our market leadership and achieved significant milestones, particularly in the Sukuk, Equities, and Equity Broking space. These successes are also reflected in our improved standings with major funds, leading to an increased share of trade allocations. In terms of Environmental, Social, and Governance (“ESG”) commitments, we have successfully completed various deals in Equities, Advisory, and the issuance of Sustainability-Linked Sukuk and Sustainability Islamic Medium Term Notes (“IMTN”).

Profit Before Tax for 2023

RM73.9
million

2022: RM27.3 million



Group Wholesale Banking

Group Investment Banking

	2022		2023	
	Position	Market Share	Position	Market Share
Bonds	3	18.1%	3	17.2%
Sukuk	3	18.4%	3	19.8%
Equities (Equity Capital Markets)	3	6.6%	3	9.7%
Mergers & Acquisitions	1	33.3%	4	9.2%
Equities Broking	6	6.8%	5	6.8%
Warrants	3	19.1%	3	15.2%

Source: Bloomberg, Dealogic, RHBIB, based on value for Malaysia.

OUR STRATEGIC PERFORMANCE

► TWP24 GOAL: ENHANCE CLIENT RELATIONSHIP MODEL IN ALL MARKETS

Initiatives

Deliver Holistic Wholesale Solutions through hub and spoke with cross border deals.

Outcomes

Completed numerous cross border Bond issuances, Advisory, and Financing deals that were jointly executed between our regional teams in Singapore, Thailand, Indonesia, and Malaysia.

► TWP24 GOAL: TRANSFORM DIGITAL CHANNELS TO SERVE ALL BANKING AND INVESTMENT NEEDS

Initiatives

Indonesia

Drive awareness of our robo advisory features (Smart) that was launched in 2022 via promotional campaigns and spearhead Structure Warrants awareness as the market pioneer via digital and on-ground engagements. In September 2022, RHB was the first to launch structured warrants in Indonesia.

Regional

Deliver system enhancements that will pave the way for exciting new product offerings to our customers.

Outcomes

Ranked 1st in the Indonesia Stock Exchange ("IDX") Structured Warrants Ranking 2023 (based on issuance).

Malaysia – Launched Share Margin Financing ("SMF") for the Singapore Exchange and the Hang Seng Composite Index.

Malaysia – Customers are now able to trade and invest on the Stock Exchange of Thailand ("SET") and IDX directly via our RHB TradeSmart platform on both the web and mobile versions.

Cambodia – Launched eKYC feature in November 2023 for our retail broking business.

Indonesia – Implemented automated market making system and a new back office system to support our structured warrants offerings.

► TWP24 GOAL: CHAMPION ESG INITIATIVES ACROSS THE GROUP

Initiatives

Grow ESG capital market business in DCM, M&A/CF advisory, and ECM.

Outcomes

Originated more than RM2.0 billion of sustainable capital market deals comprising Equities, Advisory, issuance of Sustainability Linked Sukuk and Sustainability IMTN.

AWARDS & RECOGNITIONS

2023 AsiaMoney Broker Polls (part of Euromoney) - Brokerages

**Malaysia**

- 2nd - Best Thematic Research Team
- 2nd - Best Research Team for Small/Mid-Caps
- 2nd - Best Research Team for Energy, Materials, Real Estate, Casino & Gaming
- 3rd - Best Domestic Brokerage for Sales and Research
- 3rd - Best Research Team for Consumer Staples, Transportation, Utilities

**Thailand**

- 3rd - Best Research Team for ESG

2023 AsiaMoney Retail Polls (part of Euromoney) - Brokers

**Malaysia**

- 1st - Best Retail Commentator
- 2nd - Best Retail Commentator
- 2nd - Best Analyst for Casinos & Gaming, Energy, Real Estate, Transportation
- 3rd - Best Analyst for Small/Mid-Caps, Utilities

**Thailand**

- 3rd - Best Analyst for ESG

The Alpha SEA 17th Annual Best Deal & Solution Awards 2023**Most Improved Bond House 2023**

- > RHB Investment Bank

Bank Negara Malaysia Financial Markets League Table 2022

**Secondary Corporate Bond Market by Instrument**

- > Corporate Bonds – RHB Investment Bank – Rank 1 (for 4 consecutive years)
- > Corporate Sukuk – RHB Investment Bank – Rank 1 (for 3 consecutive years)

The Asset Triple A Islamic Finance Awards 2023

**Best Corporate Sukuk - Port in Malaysia**

- > MMC Port Holdings' RM1.0 billion Murabaha Sukuk
Sole Principal Adviser, Lead Arranger, Bookrunner and Lead

**Best Sustainable Finance & Best Sustainability-linked Sukuk in Malaysia**

- > Cenviro's RM82.8 million Sustainability-linked Wakala Sukuk
Sole Principal Adviser, Lead Arranger and Lead Manager

Asian Banking & Finance Corporate & Investment Banking Awards 2023

**Debt Deal of the Year 2023 - Malaysia**

- > Project Lebuhraya Usahama Berhad
Joint Financial Adviser, Joint Principal Adviser,
Joint Lead Arranger, Joint Lead Manager and
Joint Consent Solicitation Agent

**Project Infrastructure Finance Deal of the Year - Malaysia**

- > Sarawak Petchem Sdn Bhd
Financial Adviser, Joint Principal Adviser, Joint Lead
Arranger and Joint Lead Manager

MARC Lead Managers' League Table Awards 2022



- > 2nd Runner Up – Issue Value
(Conventional & Islamic)



- > Joint 2nd Runner Up – Issue Count
(Conventional & Islamic)



Group Wholesale Banking

Group Corporate Banking

Group Corporate Banking

In 2023, we further strengthened the trust we have cultivated based on our strong track record of providing outstanding customer service. Our commitment to responsible growth played a pivotal role in preserving our position among the top corporate lenders in Malaysia. By enhancing our footprint across the region, we strategically expanded in markets like Singapore, while also supporting our clients in countries where they operate. This approach not only allowed us to leverage our existing client base but also to attract new clients to the bank.

▶ WHAT WE DO

Group Corporate Banking offers a comprehensive suite of Conventional and Shariah-compliant loans and financial solutions to corporate clients listed on the local and/or international stock exchanges. Our financial solutions encompass working capital funding, trade finance, foreign currency hedging, project financing, syndication and financing for corporate exercises. Our services span across Southeast Asia, aiding our clients in their regional expansions.

The business delivers tailor-made structured financing and mutually beneficial value propositions, designed to address our clients' specific needs and leverage financing within acceptable risk parameters, in alignment with the Group's mission and purpose.

OUR FINANCIAL PERFORMANCE

In 2023, Group Corporate Banking has continued to generate value for the Group, driven by a profit increase underpinned by healthy asset quality. However, there was a slight decrease of 1.2% year-on-year ("YoY") in gross loans and assets, attributed to a slowdown in loans growth as major corporates explored alternative funding avenues in response to rising interest rates, compounded by premature settlement of loans.

Despite financially competitive landscape in 2023, corporate deposits saw a 1.6% YoY growth. Our focus remained on the acquisition of CASA for low-cost deposits, resulting in a YoY growth of 52.2%. The health of our asset quality was maintained, with a gross impaired loan ratio ("GIL") of 2.03%, an improvement from the 2.36% recorded in the previous year.

GROSS LOANS & ASSETS

(RM billion)



TOTAL INCOME

(RM million)



Group Wholesale Banking
Group Corporate Banking**CASA**

(RM billion)

**PROFIT BEFORE TAX**

(RM million)



Notes:

Information above represents domestic business only

OUR STRATEGIC PERFORMANCE**► TWP24 GOAL: ENHANCE CLIENT RELATIONSHIP MODEL IN ALL MARKETS****Our Initiatives**

- Refined our client relationship model to further deepen long term relationships and outperform customer expectations, capitalising on synergies within the Group Wholesale Banking Model.
- Clear demarcation of customers within the Group to further promote accountability and ownership.

Outcomes

Total Income improvement of 9.1% YoY to RM931 million.

Improvement in Group product holding for large, mid and small cap public listed companies by 4%, 2% and 2% respectively.

Recorded improvement of +1 in Net Promoter Score ("NPS") and achieved number 2 ranking in the Corporate segment.

► TWP24 GOAL: CHAMPION ESG INITIATIVES ACROSS THE GROUP**Our Initiatives**

- Knowledge enhancement & capability building across Group Corporate Banking via collaboration with RHB Academy and Group Sustainability team as well as active participation in external sustainability related seminars and knowledge sharing platforms.
- Key participant in the Bank's Net Zero Decarbonisation Strategy & Pathway for key sectors with the aim to equip and enhance Business Units with knowledge and understanding to seize climate-related financial services opportunities.

Outcomes

Achieved RM440 million ESG loan sales acceptance in FY2023.

We are below the full year target of RM535 million due to timing difference.



Group Wholesale Banking

Commercial Banking

Commercial Banking

Throughout 2023, with the return to normalcy post-pandemic, we observed further stabilisation of economic activities, especially for those sectors previously impacted by the pandemic such as hospitality, retail and property development. Nevertheless, new challenges emerged from the stubborn inflation leading to tightening of monetary conditions and volatility in exchange rates. Commercial Banking remained steadfast in our support for our clients, helping them navigate through the macroeconomic headwinds with the aim to mitigate the impact on our clients' business operations and financial health, ensuring resilience in the face of these ongoing economic shifts.

▶ WHAT WE DO

Commercial Banking provides financial services to mid-sized companies, positioned between large corporates and SMEs. Our approach is to provide all-encompassing solutions through a wide range of products, designed to support our clients' business expansion needs, drawing upon the collective expertise within Group Wholesale Banking.

OUR FINANCIAL PERFORMANCE

In 2023, we focused strategically on the Commercial customer segment and it has proven fruitful, as evidenced by a 5.6% increase in gross loans & assets and a 6.5% rise in total income. Additionally, the growth in CASA was impressive, achieving a 21.2% YoY expansion from RM1.4 billion to RM1.7 billion.

GROSS LOANS & ASSETS

(RM billion)



TOTAL INCOME

(RM million)



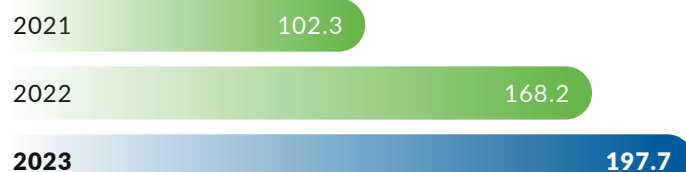
CASA

(RM billion)



PROFIT BEFORE TAX

(RM million)



Notes:

Information above represents domestic business only

OUR STRATEGIC PERFORMANCE

▶ TWP24 GOAL: ENHANCE CLIENT RELATIONSHIP MODEL IN ALL MARKETS

Our Initiatives

- Structured account planning sessions with product specialists, identifying areas to support customers' businesses.
- Accelerated growth in identified industries and expansion of regional presence.
- Targeted small and underserved accounts operating in high-growth sectors to increase loan and deposit base.
- Hire industry specialists to drive sector loan growth.

Outcomes

- Grew gross loans and assets by 5.6%.
- Acquired 14 new Public Listed Company (PLC) clients.
- Onboarded Plantations and Healthcare Specialist.
- Recorded improvement of +7 in Net Promoter Score ("NPS") and achieved number 1 ranking in the Commercial segment.

▶ TWP24 GOAL: CHAMPION ESG INITIATIVES ACROSS THE GROUP

Our Initiatives

- Friday Sharing sessions for RMs to discuss ESG matters.
- Relationship Managers participated in ESG training sessions initiated by RHB Academy.
- Rolled out the RM playbooks for 10 sectors which provides a guidance for the RMs in their conversations with clients.

Outcomes

- FY2023 ESG loan sales acceptance closed at RM452 million, exceeding the full year target of RM280 million and prior year achievement of RM306 million.

Outlook

We are optimistic about the economic and market prospects in 2024, fuelled by easing global challenges, the US Federal Reserve's expected monetary policy adjustments and Malaysia's reform agendas. In addition, we anticipate sustained momentum in regional markets on the back of strong domestic demand.

Malaysia's Budget 2024 and other policy announcements, especially the government's focus on ESG, present opportunities for both short and long-term positive impacts. The National Energy Transition Roadmap ("NETR") and the New Industrial Master Plan 2030 ("NIMP 2030") is poised to not only stimulate investment but also ignite economic growth. This presents an opportune time for the Group to strategically fortify our presence in the investment banking sector as well as leverage synergies across our corporate and commercial banking sectors, delivering comprehensive financing solutions, expanding our client base and enhancing our competitive positioning in the financial services industry.



Group Wholesale Banking

Group Treasury and Global Markets

Group Treasury and Global Markets

Throughout 2023, financial markets remained highly volatile and unsettled due to tightening of monetary conditions, underpinned by strong inflationary pressures and escalating geo-political risks. In response, Group Treasury and Global Markets ("GTGM") seized the opportunity to counteract the heightened market volatility from the challenging macroeconomic environment by providing customers with high-value Treasury products and solutions to navigate the complexities of erratic market trends.

▶ WHAT WE DO

Group Treasury and Global Markets ("GTGM") offers a comprehensive suite of Treasury products and solutions, encompassing FX, Structured Products and Money and Capital Market Instruments. These offerings cater to our diverse customers' varied funding, hedging and investment requirements. At the core of our value proposition is customer-centricity, adopting an outside-in approach to developing products and solutions that meet the needs of our customers for seamless and efficient service delivery.

In addition to unwavering customer focus, we play a crucial role in managing RHB Banking Group's funding and liquidity position. We ensure the Group's financing and asset growth requirements are prudently and competitively funded, while excess liquidity is invested optimally.

OUR FINANCIAL PERFORMANCE

GTGM recorded a profit before tax of RM913.3 million, a decline of 29.4% from the previous year. This was mainly due to a decrease of 75.6% in net fund based income due to global monetary policy tightening exerting persistent upward pressure on deposit rates and bond yields, partially offset by an increase of 105.7% in non-fund based income.

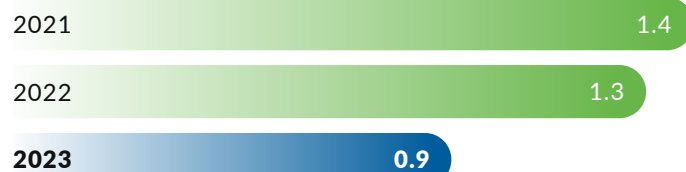
TOTAL INCOME

(RM billion)



PROFIT BEFORE TAX

(RM billion)



Notes: Information above represents domestic business only

OUR STRATEGIC PERFORMANCE

▶ TWP24 GOAL: ENHANCE CLIENT RELATIONSHIP MODEL IN ALL MARKETS

Our Initiatives

- High-value treasury products and solutions, delivered via agile business processes to fulfil our Customer First promise

Outcomes

- Engaged in regular conversations with customers to proactively provide market trends and economic outlook to our customers through our day-to-day dealings or formal client events. Conducted six Economic Outlook Briefings in the Klang Valley, Southern, Northern, East Coast, and East Malaysia regions, and One Fixed Income Market Outlook Briefing in the Klang Valley.
- Expanded product offering to include three new structured investment equity payoffs. These are the ELI European Knock In, Autocallable Sharkfin, and TwinWin to cater for market cyclicalities more effectively.
- Offered flexible solutions that can be customised to match the risk tolerance, liquidity preferences and financial goals of customers through our bespoke hedging solution for FX, interest rate and commodities exposure.

Group Wholesale Banking

Group Treasury and Global Markets

▶ TWP24 GOAL: TRANSFORM DIGITAL CHANNELS TO SERVE ALL BANKING AND INVESTMENT NEEDS

Our Initiatives

- Murex system patch upgrade
- Expanded Murex hedge accounting application to include liabilities

Outcomes

- Addressed Murex system issues and issued bug fixes for smooth and consistent system operation and performance in order to improve user experience.
- Enabled the Group to optimise interest expense on its fixed rate borrowings by swapping from fixed to float in anticipation of interest rate cuts in the future.

▶ TWP24 GOAL: CHAMPION ESG INITIATIVES ACROSS THE GROUP

Our Initiatives

- Expanded our structured products linked to ESG to customers
- Increased purchase of ESG bonds/sukuk

Outcomes

- Sales of structured products linked to ESG has increased by 101.3% to RM886.9 million in 2023 (2022: RM440.5 million)
- Purchase of ESG bonds/sukuk has increased by 163.5% to RM2.2 billion in 2023 (2022: RM841.8 million)

AWARDS & RECOGNITIONS

GTGM received recognition for providing exceptional product and service value to our clients.

Asian Banking and Finance Wholesale Banking Awards 2023 by Asian Banking and Finance (ABF)

- ▶ Malaysia Domestic Foreign Exchange Bank of the Year

The Asset Benchmark Research Awards 2023 – Asian Local Currency Bond Awards by The Asset Publishing and Research Ltd

- ▶ Rank #1: Top Sellside Firms in the Secondary Market Corporate Bonds (MYR)
- ▶ Rank #2: Top Arrangers – Investors' Choice for Primary Issues Corporate Bonds (MYR)

The Global Banking & Finance Review Awards 2023

- ▶ Best Forex Bank Malaysia 2023
- ▶ Best Multi Currency Account Malaysia 2023
- ▶ Best Banking Product (RHB Live FX @ Reflex) Malaysia 2023
- ▶ Best Islamic Forex Bank Malaysia 2023
- ▶ Best Islamic Multi Currency Account Malaysia 2023

13th Annual Treasury & FX Awards 2023 by Alpha Southeast Asia

- ▶ Best Corporate Treasury Sales & Structuring Team
- ▶ Best FX Bank for Retail Clients

Outlook

Despite elevated inflationary pressure and heightened geopolitical risk, emerging catalysts could stimulate global economic growth.

These include the potential peaking of interest rates in major developed economies, and the growth momentum in the US-Asia region driven by reviving China's economic growth in the second half of 2024. Domestically, the implementation of the New Industrial Master Plan 2030 ("NIMP 2030") and the National Energy Transition Roadmap ("NETR") is anticipated to strengthen economic conditions, supported by foreign and domestic direct investments.

GTGM maintains a disciplined approach in managing our fixed-income investment portfolios and the Group's liquidity and funding needs amid the challenging interest rate landscape. We are also preparing to seize opportunities arising from the anticipated reduction in interest rates as inflationary pressures ease. On the client service front, we will persist in innovating our product offerings and improving speed-to-market to maximise benefits for our customers across various market cycles. In addition, we are committed to supporting and advancing sustainable financial services as the country accelerates in ESG adoption under the NIMP 2030 and NETR.



Group Wholesale Banking

Group Asset Management

Group Asset Management

In 2023, Group Asset Management (“GAM”) reinforced its commitment to fostering sustainable value creation for our stakeholders amid a strengthening global asset landscape. Throughout the year, we expanded our portfolio with innovative, sustainability-driven, and ESG-focused investment products, reflecting our adaptability to dynamic economic and market conditions.

Our dedication to environmental, social, and governance (“ESG”) principles remained steadfast, aligning closely with the Group's overarching sustainability goals.

▶ WHAT WE DO

Group Asset Management, along with its Trustee operations, aspires to be a top-of-the-line investment firm covering both conventional and Islamic finance. We offer an extensive array of product solutions that comprise unit trust funds and mandates across diverse asset classes such as equity, mixed asset, fixed income and money market. Our portfolios consist of local, regional and global investments tailored to meet the specific requirements of individuals and businesses. Our trustee services include estate planning, will writing, private trusts, REITs, corporate trust services and the escrow account management.

OUR FINANCIAL PERFORMANCE

GAM Malaysia recorded a Profit Before Tax (“PBT”) of RM54.4 million for FY2023. The lower profit as compared to RM62.3 million for FY2022 was mainly attributed to lower revenue, in line with weak market sentiments coupled with redemptions and higher overall operating expenses.

In addition, our Assets under Management (“AUM”) reached RM42 billion as at the end of December 2023, an increase of 9.4% from the RM38 billion recorded as at the end of December 2022. This growth is largely due to the expansion in our unit trusts funds and private mandates.

ASSETS UNDER MANAGEMENT

(RM billion)

2022

38

2023

42

OUR STRATEGIC PERFORMANCE

▶ TWP24 GOAL: ENHANCE CLIENT RELATIONSHIP MODEL IN ALL MARKETS

Our Initiatives

We are committed to consistently generating value for our stakeholders through the launch of innovative solutions that resonate with their investment needs and align with current market trends and developments.

Our strategy includes maintaining active engagement with our stakeholders, nurturing existing relationships and developing new connections with potential investors. This approach will broaden our client base across both retail and institutional segments.

Outcomes

Enhanced customer satisfaction journey within the Group's ecosystem.

Our mandate's AUM has grown significantly by 18% contributed by injections of approximately RM2 billion in 2023.

In addition, we have achieved strong growth in our cash management funds of RM2.9 billion this year, which have been well-received by investors as it caters to their liquidity needs.

▶ TWP24 GOAL: TRANSFORM DIGITAL CHANNELS TO SERVE ALL BANKING AND INVESTMENT NEEDS

Our Initiatives

The MyInvest online platform which was introduced since end of 2022 has enabled investors to explore a wide array of both conventional and Shariah-Compliant investment opportunities locally and internationally.

The platform is equipped with various features including “do-it-yourself” investment tools designed to support investors in their investment decisions.

Further improvements to the online platform have been implemented, allowing institutional and corporate investors to easily access and view their portfolio holdings and account statements for added convenience.

Outcomes

Created a secure and hassle-free wealth generation journey for customers and investors.

▶ TWP24 GOAL: CHAMPION ESG INITIATIVES ACROSS THE GROUP

Our Initiatives

We will continue to broaden our investment portfolio to encompass a variety of sustainability-focused, ESG thematic and impact investing funds.

We regularly engaged with our investee companies, concentrating on ESG issues to encourage sustainable practices. In addition, we will continue to refine our framework to further enforce our dedication to sustainability.

Other than that, GAM plays an active role in the Group Climate Action Programme (“GCAP”), contributing to the development of heat-mapping and sectorial scenario analysis, aligning with the Group’s sustainability initiatives.

We have also continued with our fabric recycling initiative that began in August 2022. Recycled fabrics that are in good condition are donated to disadvantaged and vulnerable communities, in addition to being repurposed for new uses.

Outcomes

- We have eight sustainability funds with a combined AUM of approximately RM1.4 billion as of end December 2023.
- We have developed and implemented an in-house Sustainability Risk Management Guidelines.
- We were recognised for our sustainability efforts as reflected in the four ESG Awards received in 2023. (Best Sustainable Investment Award, Best Fund Based on Asset Class Allocation (Gold), RHB ESG Multi – Asset Fund (RM Hedged), Best Impact Resource Security (Silver): RHB Climate Change Solutions Fund (RM Hedged) and listed as the top ESG Trustee for 2023.
- Malaysian Trustee Berhad, an entity within GAM was appointed as a trustee for a Sustainability Sukuk with an issuance size of RM390 million.
- Our fabric recycling initiative has collected 8,340 kg of fabrics by the end 2023, which were channelled to the underserved in our communities.

AWARDS & RECOGNITIONS

GAM has received recognition from several prominent awarding bodies for our achievements in the equity, balanced and fixed income categories. We are committed to uphold our widespread acclaim for the excellence of our products and services, as well as ensuring consistent delivery of financial value to our customers and investors.

Lipper Funds Award 2023 by Refinitiv

- ▶ Bond MYR – RHB Bond Fund
- 3 Years - 5 Years - 10 Years

Citywire ASEAN Awards 2022/23

- ▶ Best Sustainable Investments – Best Solutions Category

14th Annual Best Fund Management Awards 2023 by Alpha Southeast Asia

- ▶ Best Overall Asset & Fund Manager
- ▶ Best Asset Manager (Equity Funds)
- ▶ Best Asset Manager (Fixed Income Funds)

FSMOne

- ▶ Recommended Unit Trusts 2023/24 (Balanced – Global)
RHB Global Allocation Fund
- ▶ Recommended Unit Trusts 2023/24 (Sub Regional Equity – Greater China (Islamic))
RHB Shariah China Focus Fund
- ▶ Recommended Unit Trusts 2023/24 (Single Country Equity – China)
RHB Big Cap China Enterprise Fund
- ▶ Recommended Unit Trusts 2023/24 (Fixed Income – Emerging Markets)
RHB Emerging Markets Bond Fund

The Edge Malaysia ESG Awards

- ▶ Best Fund Based on Asset Class Allocation (Gold)
RHB ESG Multi – Asset Fund (RM Hedged)
- ▶ Best Impact Resource Security (Silver)
RHB Climate Change Solutions Fund (RM Hedged)

The Asset Benchmark

- ▶ Top Investment Houses in Asian Local Currency Bonds for 2023 (Malaysia)
Ranked 3rd
- ▶ The Most Astute Investors in Asian Local Currency Bonds for 2023 (Malaysia)
Ranked 3rd

Bond Pricing Agency Malaysia (BPAM)

- ▶ Top ESG Trustee – Malaysian Trustees Berhad
- ▶ Top Trustee Overall – Malaysian Trustees Berhad
- ▶ Top Trustee Conventional – Malaysian Trustees Berhad
- ▶ Top Trustee Islamic – Malaysian Trustees Berhad

Outlook

Group Asset Management is committed to strengthening customer trust and confidence by delivering a smooth customer experience.

This is in line with the Group's emphasis and dedication to the TWP24 goals, which prioritises our customers.

Recognising the volatility of market sentiments exacerbated by global inflation and geopolitical events, we are committed to our efforts and expect more robust growth in 2024. This growth will be driven in collaboration with our business partners, continuous improvements in our digital capabilities and our ongoing commitment to sustainability.

We are steadfast in providing innovative product offerings, including both conventional and Shariah-compliant products. Our diverse portfolio will encompass ESG and impact investing funds, demonstrating our commitment to evolving needs of our clients.

Group International Business



In 2023, RHB Group's International Business ("GIB") exhibited resilience amid a challenging global economic environment characterised by a high interest rate environment and inflationary pressures.

GIB achieved a modest 2.0% increase in operating profit before allowances, against a backdrop of a notable 14.3% year-on-year growth in gross loans, illustrating robust lending activity. Moreover, a 33.4% surge in customer deposits year-on-year highlighted our strong deposit mobilisation capabilities and customer trust in our financial stewardship.

In line with our strategic focus, we continued to enhance our digital capabilities and client relationship model across all markets. Initiatives such as the launch of the goWave Mobile App in Cambodia and the full branch network refresh as part of our retail banking transformation programme in Singapore are testament to our dedication to innovation and customer service excellence. On the ESG front, Singapore delivered SGD751 million in ESG-related financing and deals during the year under review, mainly in the energy efficiency and development sectors.

▶ WHAT WE DO

Group International Business manages RHB's regional Commercial Banking operations, spanning five countries, namely Singapore, Cambodia, Thailand, Laos, and Brunei, and are supported closely by expertise from our Malaysian headquarters. GIB works towards the Group's aspiration to build an integrated overseas business that leverages localised networks to serve the needs of our diverse customers and clients through our established presence. We offer solutions such as financing, deposits, wealth management, trade financing, premier banking, bancassurance and financing for small-and-medium enterprise ("SME"). We will continue to improve, stay relevant and competitive to our valued clients.

OUR FINANCIAL PERFORMANCE

Group International Business demonstrated resilience, navigating the complexities of the year with determination to achieve acceptable revenue and moderate operating profit before allowances growth.

We recorded higher operating profit before allowances by 2.0% against the backdrop of a 14.3% growth in gross loans year-on-year, and 33.4% increase in customer deposits. However, profit before tax was lower by 143.0% attributed mainly to higher impairment in Thailand, the gross impaired loans ("GIL") ratio increased from 1.8% in 2022 to 3.1% in 2023.

 Singapore	2022 (SGD Million)	2023 (SGD Million)	Growth (YoY)
Gross Loans	7,033	7,794	10.8%
Deposits from Customers	7,276	9,394	29.1%
Operating Profit Before Allowances	56.7	77.0	35.9%
Profit Before Tax	96.5	50.5	(47.7%)
Gross Impaired Loan	0.9%	1.1%	0.2%
ESG Financing/Investment ^{N1}	566	1,236	118.4%

^{N1} Total accumulative loans outstanding/bond purchased from July 2019 (baseline) and growth from baseline

Our Singapore operations registered robust loans and deposits growth of 10.8% and 29.1%, respectively. Strong revenue growth resulted in notable improvement in operating profit before allowances by 35.9% while gross impaired loans remained low. There was continued focus on driving ESG-related deals, which is reflected by the close to three-fold increase mainly from green financing and treasury bonds.



Group International Business

 Cambodia	2022 (USD Million)	2023 (USD Million)	Growth (YoY)
Gross Loans	757	763	0.9%
Deposits from Customers	471	593	25.9%
Operating Profit Before Allowances	14.3	3.4	(76.3%)
Profit Before Tax	16.6	5.6	(66.2%)
Gross Impaired Loan	7.0%	9.8%	2.7%
ESG Financing/Investment ^{N1}	16.2	16.2	0%

While customer deposits in our RHB Cambodia operations grew 25.9%, loans growth and profit was impacted by the higher cost of funds from the rising interest rate environment and higher overhead. The GIL ratio increased following the expiry of a large number of COVID-19 related repayment assistance.

 Thailand	2022 (THB Million)	2023 (THB Million)	Growth (YoY)
Gross Loans	12,820	10,795	(15.8%)
Deposits from Customers	11,987	11,049	(7.8%)
Operating Profit Before Allowances	212.8	23.2	(89.1%)
Profit Before Tax	148.9	(2,943.2)	(2,076.4%)
Gross Impaired Loan	4.3%	24.0%	19.7%
ESG Financing/Investment ^{N1}	1,797	2,200	22.4%

Thailand's performance was impacted by deterioration of asset quality, which similar trend was observed for the banking industry. On the brighter side, ESG-related investments grew 22%, mainly from the growth of ESG investment bonds.

 Laos	2022 (LAK Billion)	2023 (LAK Billion)	Growth (YoY)
Gross Loans	289	425	47.1%
Deposits from Customers	77	104	34.8%
Operating Profit Before Allowances	10.4	(2.8)	(127.2%)
Profit Before Tax	67.6	38.6	(42.9)
Gross Impaired Loan	5.1%	6.2%	1.1%

RHB Laos experienced significant growth in its gross loans which surged by 47.1%, from LAK289 billion in 2022 to LAK425 billion in 2023, as we made inroads into the non-retail segment. Deposits also grew steadily by 34.8% from LAK77 billion to LAK104 billion.

However, profit was impacted by higher overheads, lower expected credit losses ("ECL") writeback and weakening of the Lao Kip against foreign currencies.

 Brunei	2022 (BND Million)	2023 (BND Million)	Growth (YoY)
Gross Loans	59	62	5.3%
Deposits from Customers	148	114	(22.5%)
Operating Profit Before Allowances	1.1	1.9	65.5%
Profit Before Tax	1.3	1.8	46.4%
Gross Impaired Loan	3.1%	1.9%	(1.2%)

Our Brunei operations' gross loans grew 5.3% YoY, while deposits declined 22.5% during the year under review. Operating profit before allowances improved mainly due to higher net interest income, on the back of higher interest rate of our securities investment portfolio. Our gross impaired loans ratio improved better than the industry.

^{N1} Total accumulative loans outstanding/bond purchased from July 2019 (baseline) and growth from baseline

Group International Business

OUR STRATEGIC PERFORMANCE

Aligned with the Group's strategic direction, Group International Business has embraced a comprehensive approach to integrating ESG practices into our business, recognising the varying degrees of ESG financing maturity in its diverse markets. In Singapore, a mature market for ESG developments, the Group excelled in ESG-related financing and deals, achieving SGD751 million, surpassing the target by 342%, particularly in the energy efficiency and development sectors.

In Cambodia, the introduction of the goWave by RHB Mobile App in January 2023 was a significant development as this innovative platform seamlessly combines banking services with financial literacy content, contributing to financial inclusion.

Meanwhile, in Thailand, the Group made substantial investments in the automation intelligence project in collaboration with regulators, showcasing tangible progress towards aligning with regulatory requirements.

Throughout this journey, our commitment to ESG-related opportunities remained unwavering, with active pursuits in other countries to support and contribute to this strategic focus. The Group's diversified efforts underscore its resilience and adaptability in addressing multifaceted challenges and opportunities in the dynamic financial landscape.

▶ TWP24 GOAL: ENHANCE CLIENT RELATIONSHIP MODEL IN ALL MARKETS



Singapore

Our Initiatives

- Completed a full branch network refresh as part of the retail banking transformation programme
- Improved our Corporate RHB Reflex offerings and features

Outcomes

- Transformed all customer touchpoints to deliver a differentiated customer experience
- Launched the PayNow Corporate in RHB Reflex in June 2023, entrenching the value proposition for digital banking. Between June and December 2023, PayNow Corporate facilitated over SGD36 million in transactions, comprising close to 7,000 inbound and outbound transactions



Cambodia

Our Initiatives

- Focused on growing the mortgage and Premier Banking business
- Rolled out 24 product campaigns and programmes to support deposit, debit card, and mortgage sales efforts.
- Improved Call Centre's productivity efficiency to manage outbound telemarketing
- Launched VISA and MasterCard's Fraud Prevention programmes
- Collaborated with SME Bank to support the targeted SME customers with affordable pricing
- Focus on trade finance to support the customers, providing working capital and understanding about their business

Outcomes

- Granted retail loans amounting to USD244 million to Khmer homeowners
- Grew the Premier Banking customers segment to 733 accounts in 2023
- Increased bancassurance referrals, and Debit Card acquisitions by 92% and 56% YoY, respectively
- Continued to keep our customers safe from payment fraud with VISA and MasterCard's Fraud Prevention programmes
- Conducted trade finance training for sales team and branch to educate customers about the trade finance product benefiting to their business
- Successfully onboarded two trade customers with a total of USD1.0 million in trade facilities



Thailand

Our Initiatives

- Provided repayment assistance support to financially-impacted customers

Outcomes

- Assisted financially-impacted customers to navigate the difficult situation during and post-pandemic



Laos

Our Initiatives

- Actively approached highly-rated public listed companies
- Proactively onboarded SME and corporate customers by offering them lending and deposit facilities

Outcomes

- Extended LAK82.5 billion in new corporate loan to a public-listed companies
- Asset base grew by 31% YoY mainly driven by the Commercial loan segment

▶ TWP24 GOAL: TRANSFORM DIGITAL CHANNELS TO SERVE ALL BANKING AND INVESTMENT NEEDS



Singapore

Our Initiatives

- Expanded Mobile Banking capabilities for account opening
- Redesigned and digitalised internal processes
- Well-located and well-designed branches, complemented by digital channels and an accessible call centre

Outcomes

- Improved accessibility of our offerings
- 99% of new accounts are now opened digitally, with 54% via Mobile Banking and 45% via straight-through processing ("STP") with staff-assisted eForms at branches
- Improved value proposition for customers to adopt digital channels



Cambodia

Our Initiatives

- Launched goWave by RHB Mobile App
- Implemented holistic changes to leverage technology and process improvements

Outcomes

- 12,000 account openings under goWave
- Reduced turnaround time for mortgage and SME loans to 48 hours, and less than 15 days approval timeframe from 30 days previously
- RHB Bank is the first bank to launch the most secure Cambodia Shared Switch (CSS) EMV Chip card to combat counterfeiting

TWP24 GOAL: CHAMPION ESG INITIATIVES ACROSS THE GROUP



Singapore

Our Initiatives

- Launched an ESG-related bilateral fund linked to the Group's sustainability performance targets
- Educated senior citizens on cybersecurity amidst rising scams in Singapore

Outcomes

- Empowered 87 elderly folks with basic cybersecurity knowledge to guard against scams



Cambodia

Our Initiatives

- Partnered with Credit Guarantee Corporation of Cambodia ("CGCC") to provide Credit Guarantee for women entrepreneurs under the Women Entrepreneurs Guarantee Scheme ("WEGS")

Outcomes

- Disbursed more than USD400,000 in loans to eligible women entrepreneurs



Thailand

Our Initiatives

- Worked with our valued customers in promoting, lending and investing in ESG-related financing

Outcomes

- ESG-related financing and investment recorded combined growth of 22% YoY



Laos

Our Initiatives

- Collaborated with a local Finance Company to provide autofinance loans for EV/hybrid cars imported from Korea

Outcomes

- Continue to explore potential contributions the business can make to the development of the ESG financing market



Brunei

Our Initiatives

- Donated food items, hand sanitizers and face masks to isolation centres in Tutong and Temburong Districts

Outcomes

- Spread cheer and contributed B\$1,600 in donations to support relief centres

Group International Business

AWARDS & RECOGNITIONS



Singapore

The Asset Triple A Sustainable Capital Market Awards 2023

Best Green Loan Award

Employee Experience Awards 2023

Best ESG Programme (Bronze)

Loyalty & Engagement Awards 2023

Best Employee Engagement Survey (Bronze)

Human Resources Excellence Awards 2023

Excellence in HR Communication Strategy (Bronze)

Marketing Events Awards 2023

- > Best Event on a Budget (Gold)
- > Best Event by an In-House team (Silver)

Asian Experience Awards 2023

Singapore Customer Experience of the Year - Banking

Global Retail Banking Innovation Awards 2023

Best Retail Bank for a Frictionless Banking Experience



Cambodia

International Finance Awards 2023

- > Most Improved Mobile Banking Application in Cambodia
- > Most Innovative New Debit Card Offerings

Human Resources Excellence Award 2023

- > Excellence in Employee Engagement (Bronze)

HR Asia

- > HR ASIA Best Companies to work for in Asia Awards 2023 (Cambodia Edition)
- > HR Asia Digital Transformation Awards

BNY Mellon STP Awards 2023

- > Outstanding payment formatting performance for MT103/MT202

MasterCard

- > Leadership in Debit Card Growth 2023

VISA

- > Leadership in Consumer Debit Card Issuance 2023

Outlook

In pursuit of our TWP24 aspirations, the Group International Business maintains a hyper-focused approach to its target segments. This strategy, underpinned by a localised perspective, leverages the expertise of the Malaysian operations to build a cohesive and integrated overseas business.

Singapore

For the Singapore business in 2024, the strategic focus revolves around the growth of Corporate & Investment Banking ("CIB"), the Commercial and SME segments, and the development of a regional wealth hub. We have set goals for loan growth and profitability, focussing on secured lending, trade, and regional wealth development. Some of these initiatives include transforming Commercial SME delivery capabilities through innovations like PayNow Corporate, and improving our loan origination and credit workflow system. Additionally, there is a commitment to growing deals and investments related to ESG for a sustainable Singapore.

Cambodia

RHB Cambodia is poised to introduce the SME Programme Lending as a catalyst to improve loan growth. Efforts will target the expansion of the SME customer base through enhancements to RHB Reflex, including collaboration with a cloud accounting service provider. The focus on strict credit discipline, sustainable financing for environmentally-friendly technology, and deposit growth through dedicated efforts across various pillars reflects the strategic direction for Cambodia in 2024. The goWave (RHB Mobile Banking App) will help us grow the young adult customer base and serve as a platform for financial inclusion and improved financial literacy.

Thailand

Our strategy includes the gradual withdrawal from the SME segment, with a heightened focus on our Wholesale and Treasury businesses to restore robust asset quality and achieve a sustainable loan portfolio. With a presence in various countries in the region, this approach enables us to explore promising opportunities and attract cross-border clients, leveraging the Group's extensive regional footprint. We also remain committed to integrating ESG principles and sustainability into the Group's future business strategy. The goal is to excel in targeted segments while fulfilling ESG commitments, particularly financing and investment.

RHB Thailand is also committed to enhancing its recovery initiatives. The strategy to bolster asset quality involves reinforcing the recovery team, collaborating with debt collection agencies, and establishing partnerships with five new law firms. Additionally, Thailand seeks to liquidate non-performing loans ("NPLs") through third-party agencies, while collateral from NPL accounts will be disposed of through collaborations with our affiliated real estate agencies. Additionally, we will enforce strict credit discipline and focus on loan growth to maintain asset quality.

Laos

In Laos, a strategic enhancement of the core banking system and infrastructure is underway, emphasising the automation of internal processes. Business transformation is facilitated by the adoption of new technologies, including the launch of mobile banking solutions. The focus remains on disciplined loan growth to preserve asset quality and profitability.

Brunei

Brunei's business strategy for 2024 centres around prioritising the growth of its top 70 clients and targeting an additional 30 potential clientele. Our growth initiatives will emphasise extending more credit to generate positive loan growth and profitability, while preserving current asset quality for long-term sustainability. Value-added services, such as e-Statements for current account holders, and regional wealth growth through cross-border deals, further contribute to Brunei's strategic objectives.

Group Shariah Business



The Group Shariah Business (“GSB”) provides comprehensive Islamic financial services across the entire customer spectrum of retail, SME, corporate, commercial and investment banking, as well as wealth management. In addition, GSB focuses on providing products and services to essential sectors such as the government, healthcare, and higher education. We are a cornerstone of the Group’s business, with an average contribution of more than 40% to domestic financing assets. We also uphold Value-Based Intermediation (“VBI”) principles and continue to fulfil our obligations to society, through zakat contributions which has been increasing steadily every year, reaching RM10 million in 2023.

▶ WHAT WE DO

RHB Islamic Bank is RHB Banking Group’s Syariah Business banking arm. It offers a wide range of Shariah-compliant financial services. We provide products and services for the retail, SME, corporate, and commercial business segments, wealth management as well as investment banking. We do this through our extensive customer touchpoints of RHB Islamic Bank and RHB Bank branches at over 200 locations across the country, in addition to the convenience provided by our Self-Service Terminals, and mobile and online banking platforms. We aspire to become a leading provider of value-based Shariah financial services in Malaysia, aligning with the Group’s **Together We Progress 2024 (“TWP24”)**’s corporate strategy’s aspiration To Be Everyone’s Primary Bank.

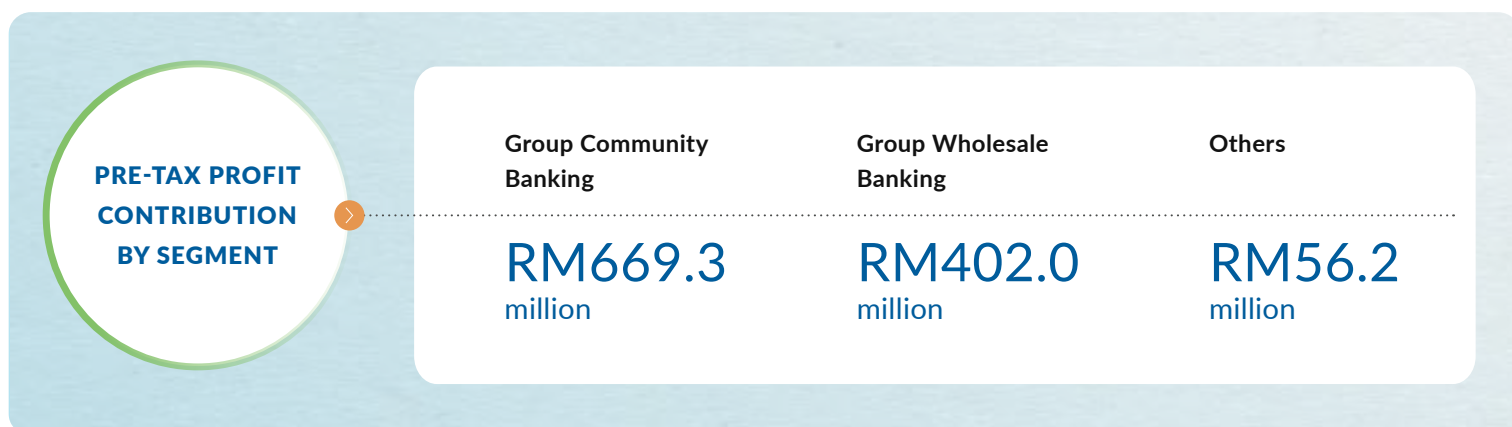
VALUE-BASED INTERMEDIATION

Our approach to VBI is embodied in the RHB Harmoni ecosystem, which represents a well-balanced business strategy that integrates Social Harmoni (People), Ocean Harmoni (Planet) and Business Harmoni (Profit). Through the VBI, we aim to generate lasting impacts, in line with the Group’s commitment to ESG principles, which is primarily why we are focused on serving the public service sector, particularly in the higher education and healthcare spheres.

▲ For further information about the RHB Harmoni ecosystem, please refer to page 219 of the RHB Sustainability Report 2023.

OUR FINANCIAL PERFORMANCE

In FY2023, RHB Islamic Bank reported a profit before tax of RM1.1 billion, 1.0% lower than the previous year. This was due to lower net funding income and higher operating expenses, partly offset by higher expected credit losses (“ECL”) writeback and higher non-funding income due to higher FX gain, and higher trading, investments and derivatives.



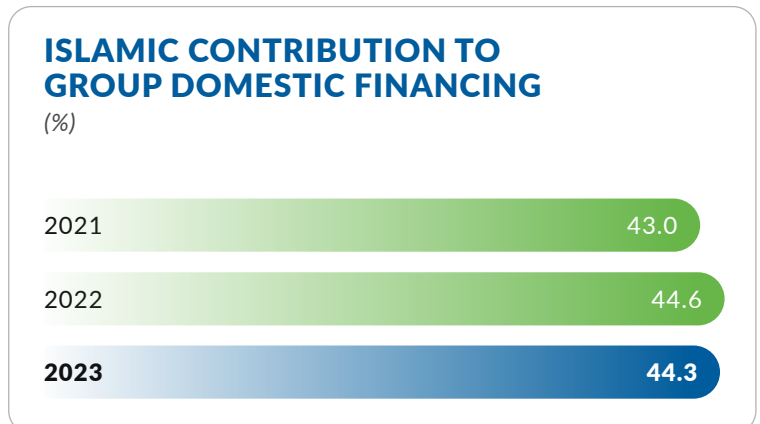
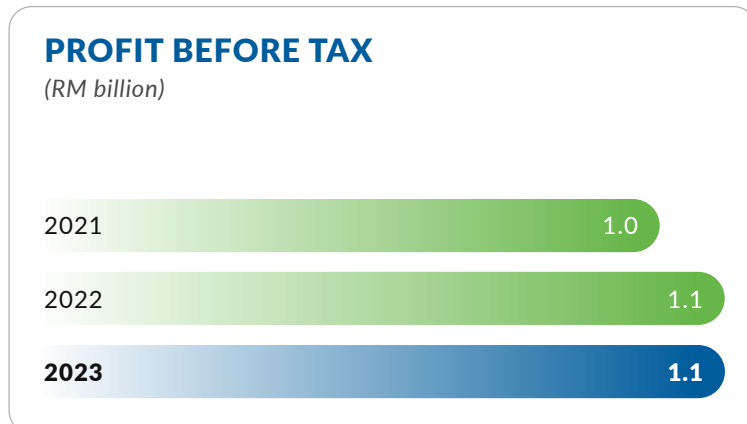
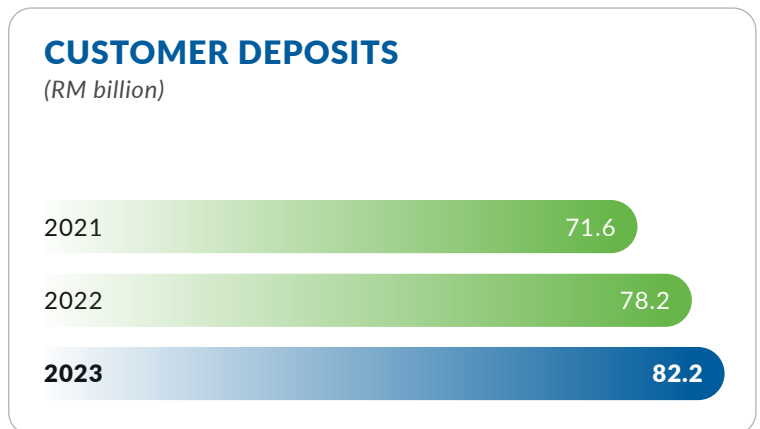
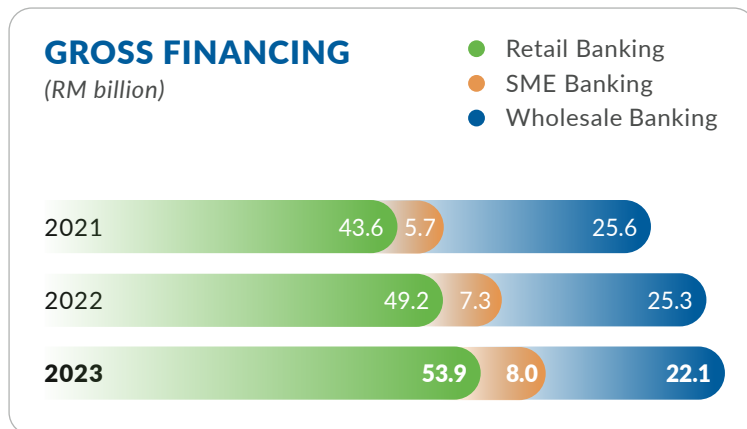
Group Shariah Business

In the year under review, Financing, Deposits, and Wealth Management all recorded improvements. In terms of Financing, we achieved 2.8% year-on-year growth, achieving RM84.0 billion. This growth was primarily driven by Group Community Banking’s expansion of 9.6%, with SME and retail banking contributing 10.3% and 9.5%, respectively. Meanwhile, the Wholesale Banking segment saw a decline of 12.4% attributed to a 18.0% contraction in the corporate banking business, but was cushioned by the 74.0% growth recorded by the commercial banking business. Cumulatively, this contributed to 44.3% of the Group’s domestic financing.

As for Deposits, Islamic deposits witnessed a 5.1% year-on-year increase to RM82.2 billion. This was largely due to a notable 13.9% increase in CASA, which reached RM13.6 billion. Term Deposits, specific investment accounts and general investment accounts also grew by 3.5% year-on-year, to RM68.6 billion.

Additionally, our Total Islamic Wealth Assets Under Management (“AUM”) improved to RM704 million. This represents a 6.6% growth on a year-on-year basis, underscoring our continuous commitment to delivering robust wealth management solutions.

	2022	2023
Profit Before Tax	RM1.1 billion	RM1.1 billion
Return on Equity	13.0%	13.6%
Cost-to-income ratio	30.7%	37.4%
Gross financing	RM81.7 billion	RM84.0 billion
Contribution to Group domestic financing asset	44.6%	44.3%
Total Deposits	RM78.2 billion	RM82.2 billion
CASA	RM11.9 billion	RM13.6 billion
Zakat Distributed to State Zakat Authorities	RM8.0 million	RM10.0 million



Group Shariah Business

OUR STRATEGIC PERFORMANCE

▶ TWP24 GOAL: EXPAND ISLAMIC ECOSYSTEMS

Initiatives

- Launched the MySiswa initiative under the auspices of the Ministry of Higher Education to promote financial inclusion to students in public universities
- The MySISWA programme offers students a multi-purpose smart card that functions as both a student matriculation card and debit card.
- The integrated card provides students access to university support services, enable them to manage their funds, enjoy cashless payment solutions, and lifestyle benefits such as exclusive discounts and promotions.

Outcomes

- Onboarded more than 600,000 students onto the MySiswa programme
- Drove CASA to RM196 million, and fixed deposit to RM939 million
- Retail financing of RM175 million approved for university staff

▶ TWP24 GOAL: BUILD A HOLISTIC ISLAMIC WEALTH MANAGEMENT BUSINESS

Initiatives

- Launched the Islamic Wealth Management portal
- Five employees were certified as Islamic Financial Planners ("IFP") after undergoing training by Islamic Banking & Finance Institute Malaysia ("IBFIM")
- Launched 3 Takaful Products:
 - > *Takaful myTenang Care on 30 March 2023*
 - > *Takaful myLife Enriched on 15 June 2023*
 - > *Takaful mySmart Income Plus on 1 July 2023*

Outcomes

- We now offer the services of certified IFP advisors who advise on Islamic Wealth Management offerings based on the four key pillars, i.e. Islamic wealth creation and accumulation, protection, distribution and purification.
 - > *Takaful myTenang Care: RM19,500 Annual First Year Premium ("AFYP")*
 - > *Takaful myLife Enriched: RM11,600 AFYP*
 - > *Takaful mySmart Income Plus: RM1.15 million AFYP*

▶ TWP24 GOAL: INCREASE ISLAMIC SHARE OF GROUP FINANCING

Outcomes

- RHB Islamic contributed 44.3% of Group's domestic financing

AWARDS & RECOGNITIONS

Graduate Choice Awards by Talentbank



Top 5 Graduate's Choice of Employer to Work For in the Islamic Banking category

Ocean Hope Project



2023 Industry Partner for Universiti Malaysia Terengganu (Ocean Hope Project)

Outlook

Malaysia is expected to see its domestic economic momentum increase in 2024, with Gross Domestic Product ("GDP") forecasted to rise by 4.6%, supported by a rebound in foreign demand.

The banking sector is poised for a boost in credit demand, particularly from businesses, contributing to its expected resilience. This optimism is supported by the strong capital and liquidity foundations of the sector, along with a supportive monetary environment.

RHB Islamic acknowledges the challenges posed by external pressures and their effect on the speed of economic recovery in its operational markets. However, our strong fundamental positions in terms of capital and liquidity underscore our resilience. Despite delivering a stable financial performance in FY2023, RHB Islamic is set to sharpen our strategic focus, enhance our approach, and intensify our commitment to innovation and cost efficiency to bolster our business outcomes.



Group Insurance



OLIVER TAN CHUAN LI
Managing Director, RHB Insurance

Group Insurance achieved robust performance in 2023, marked by a significant 17.7% year-on-year (“YoY”) growth in the Gross Written Premium. This success is attributed to the smooth execution and concentrated focus of our business priorities. These results reflect the extensive range and variety of our business portfolios, as well as the structural growth drivers that highlight the substantial demand for General Insurance (“GI”) protection in our market. Our investments have further bolstered our capability to fulfil the evolving demands of our customers and future business requirements.

We will continue to put the needs of our customers first by understanding their requirements and constantly innovating our product offerings, especially within the digital space.

▶ WHAT WE DO

RHB Insurance provides a comprehensive range of general insurance and other products to our retail and corporate customers for better protection and peace of mind. Customers can easily and conveniently access our service and support through our network of 15 branches, over 630 Pos Malaysia branches and more than 2,100 authorised agent offices in Malaysia. We are among the Top 10 General Insurance providers in Malaysia for Fire, Personal Accident, and Motor.

OUR FINANCIAL PERFORMANCE

Financial Indicators	Amount/Percentage
Gross Written Premium	RM869.2 million
Profit Before Tax	RM99.0 million
Return on Equity	13.6%
Combined ratio	93.8%

OUR STRATEGIC PERFORMANCE

▶ TWP24 GOAL: DEEPEN BANCASSURANCE VIA INNOVATIVE PRODUCTS

Our Initiatives

- Capitalised on RHB Bank's growth momentum in Retail & SMEs by institutionalising lead generation
- Expanded capacity and capabilities to enhance sales and delivery efficiency
- Innovated products and services to meet targeted customer personas

Outcome

- 2.5x compounded annual growth rate for Bancassurance's penetration rate

▶ TWP24 GOAL: DOUBLE DOWN ON DIGITAL CAPABILITIES AND ACQUISITION

Our Initiatives

- Built capabilities in customer acquisition and retention through analytics
- Developed differentiated product designs
- Integrated into the RHB Group's wide digital ecosystem

Our Outcomes

- Digital sales grew by 27% YoY as a result of our focused digital plans

Group Insurance

▶ TWP24 GOAL: EMBED CUSTOMER CENTRICITY

Our Initiatives

- Prioritised customer segments with high growth potential and/or it is good margins (Retail: Auto owners and Families and SMEs)
- Provided a seamless end-to-end customer journey through direct engagement with customers
- Built and enhanced customer lifetime value with all-rounded services

Our Outcomes

- Achieved an improvement of 9 points in the 2023 Annual Customer Survey net promoter score (“NPS”), an indication of our customers’ growing trust in us

▶ TWP24 GOAL: WIDEN DISTRIBUTION NETWORKS

Our Initiatives

- Expanded conventional distribution channels (agency, brokers and franchise)
- Digitally enabled partners
- Strengthened agency force
- Built new partnerships through API

Our Outcomes

- Agency, brokers and franchise business grew 21% YoY due to expanded distribution network

In 2023, RHB Insurance’s strategic focus was to improve business performance by unlocking Bancassurance’s potential and exploring our redefined appetite and interest for selective large risk while growing profitable portfolios. We also emphasised speed-to-market via the agile method, launched innovative products, continued to price our products competitively, and enhanced our digital capabilities to deliver the ultimate customer experience. We successfully implemented reinsurance agreements with direct insurers for RHB Bank’s regional businesses to retain more value.

RHB Insurance launched five new products during the year under review, namely:

- 1 Rahmah PA on web and mobile app
- 2 Houseowner Plus
- 3 Home Smart Plus
- 4 Premier Protect (motor add-on)
- 5 Road Rescue Elite

We have also enhanced three products and three pricing models, to refresh our product offering for market competitiveness.

Outlook

In light of the market toughening due to rising inflation, a weakening currency, global financial market sentiments, increase in Sales and Service Tax (“SST”) and GI-specific hurdles such as detariffication and increasing treaty costs, it is essential for insurance firms to remain informed and implement strategies to maintain sustainable growth.

At Group Insurance, our careful emphasis on expanding the non-motor portfolio and leveraging our substantial bancassurance base, coupled with the digitisation of our operations, positions us favourably to continue our growth trajectory. Additionally, integrating Environmental, Social, and Governance (“ESG”) principles into our business operations will help to enhance our business methods for better results.

Integrating Sustainability into RHB

This section provides an overview of RHB Banking Group's FY2023 sustainability and climate-related progress and achievements. It should be read in conjunction with our Sustainability Report 2023, which provides further details regarding our Sustainability Strategy and Roadmap, material matters, and key progress and achievements.



Signing ceremony for the Collaborative Agreement between RHB Banking Group and Tenaga Nasional Berhad to Promote and Provide Green Solutions for SMEs and Individuals, at the Energy Transition Conference 2023

We have adopted a holistic approach to sustainability, recognising that Environmental, Social and Governance (“ESG”) factors are deeply interconnected and critical to our long-term success and business resilience.

Guided by the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), RHB has made significant progress in integrating sustainable practices across its business activities, operations, and decision-making processes, creating long-term value for both the Group and its stakeholders.

Spurred by our commitment to drive a just and responsible transition towards a low-carbon economy, we have also accelerated efforts to integrate climate-related considerations into our business, prioritising efforts to reduce carbon emissions across our portfolio, and facilitating our clients in our mutual journey to achieve Net Zero by 2050. Through robust collaborative efforts, we aim to drive collective progress towards a thriving sustainable future for all.

Our Sustainability Journey

Recognising its critical role in shared value creation, long-term growth and societal well-being, RHB has positioned sustainability as a key focus area within the Group's Together We Progress 2024 ("TWP24") corporate strategy. Aligned to this, we are proactively integrating sustainability and climate considerations across our business and operations, towards becoming a sustainable and responsible financial services provider.

SUSTAINABILITY IS AN INTEGRAL COMPONENT OF TWP24

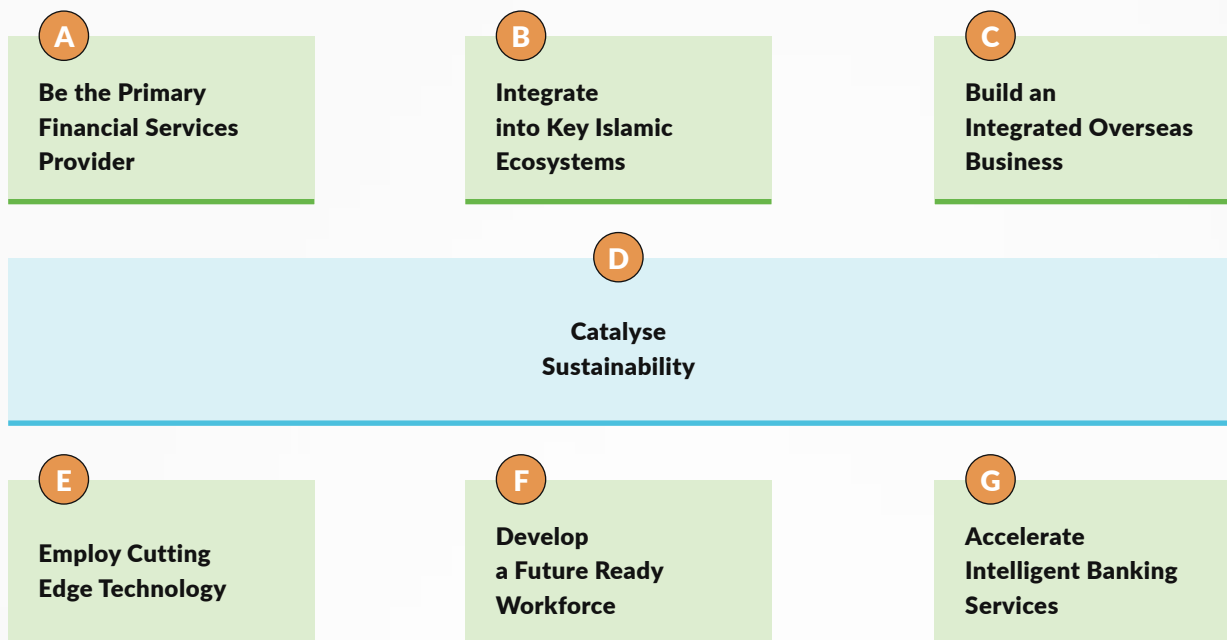
Purpose

MAKING PROGRESS HAPPEN FOR EVERYONE

Strategic Objectives



TWP24 Focus Areas



Our Sustainability Journey

SUSTAINABILITY STRATEGY AND ROADMAP

The Group's 5-Year Sustainability Strategy & Roadmap (2022-2026), underpins our unwavering commitment to championing sustainability and climate action.

SUSTAINABILITY PURPOSE

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

OUR ASPIRATIONS

- Support sustainable development by mobilising RM50 billion in sustainable financial services by 2026
- Achieve Carbon Neutral Operations by 2030
- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve Net Zero by 2050



SUSTAINABLE & RESPONSIBLE FINANCE

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth



COMMITTED TO ACHIEVING NET ZERO BY 2050

Accelerating the just and responsible transition to a low-carbon economy, guided by the Group's Net Zero by 2050 Strategy



EMBEDDING GOOD PRACTICES

Foster responsible practices and nurture a sustainable culture



ENRICHING & EMPOWERING COMMUNITIES

Create long-term positive impacts on our communities, nurturing children & youth

FOCUS AREAS

- **Sustainable Financial Services**
Create positive impacts through our lending, capital markets, wealth management, deposits, investment, asset management and insurance businesses
- **Financial Inclusion**
Promote financial inclusion¹ by providing access to financial products and services to individuals (students, youth, new to workforce, the underserved) and businesses (SMEs, microenterprises, etc.)
- **Advancing SMEs Towards Sustainable Business Practices**
Nurture and support SMEs in their journey towards building a sustainable business

FOCUS AREAS

- **Reduction of Financed Emissions²**
Reducing carbon emissions in five high-impact sectors within our business³
- **Greening Our Portfolio**
Driving growth in Green Financial Services; and Supporting businesses/ companies that are committed to carbon neutrality with a clear and established transition strategy
- **Integration of sustainable and low-carbon practices into our own operations**
Achieve Carbon Neutral Operations by 2030

FOCUS AREAS

- **Ethics & Conduct**
Uphold integrity, ethics and compliance through robust policies and practices
- **People & Workplace**
Promote employee development and nurture a fair, diverse, and inclusive workforce
- **Sustainable Supply Chain**
Promote responsible and sustainable practices across the Group's supply chain

FOCUS AREAS

- **Nurturing Future Generations**
Promote growth and resilience in children and youth through holistic learning and self-development programmes
- **Lifting Communities**
Improve the lives of vulnerable & underserved segments of the community through meaningful community engagement initiatives which includes capacity building and skills development programmes

ENABLERS



GOVERNANCE

- Robust sustainability and climate governance across the Group to drive decision-making and provide appropriate oversight of sustainability



DATA & TECHNOLOGY

- Leverage data points and technology for monitoring and reporting to ensure reliability, credibility and trust



HUMAN CAPITAL & TRAINING

- Attract, retain and develop people with the right skillsets and capabilities to support the Group's sustainability agenda



PARTNERSHIP & ADVOCACY

- Build trusted partnerships and continuously advocate for and nurture others towards sustainable and low-carbon practices

¹ Provision of affordable and quality financial products and services

² GHG emissions associated with RHB Group's business activities

³ Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport

Our Sustainability Journey

In FY2023, we enhanced the Group Sustainability Strategy and Roadmap, following the establishment of the Group’s commitment to achieve Net Zero emissions by 2050. Our Net Zero by 2050 strategic objectives encompass three themes, as follows:

- 01** Reducing the financed emissions associated with five high impact sectors within our business
- 02** Growing our green portfolio and supporting businesses and companies that have a clear and established transition strategy to achieve carbon neutrality
- 03** Achieving Carbon Neutral Operations by 2030

Under our 5-Year Sustainability Strategy and Roadmap (2022-2026), we have identified five Key Performance Indicators (“KPIs”) that are being tracked, monitored and disclosed as part of the Group’s long-term corporate strategy.

 1 Mobilise RM50 billion in Sustainable Financial Services by 2026	 2 Empowering over 2m targeted individuals and businesses across ASEAN by 2026	 3 Achieve Carbon Neutral Operations by 2030	 4 Diversity, Equity & Inclusion/DEI (Workplace)	 5 Group Climate Action Programme Complete 32 initiatives by 2024; and develop the Group’s Net Zero 2050 Pathway
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▲ Please refer to our Sustainability Scorecard in the RHB Sustainability Report 2023, for details of our progress on the above KPIs.

In 2023, we revised and enhanced two of our sustainability aspirations, to reflect the progress we have made in our sustainability journey and to be in line with regulatory expectations, industry best practices, as well as the evolving guidance, policies, and incentives on decarbonisation introduced by the Government:

Revision	Rationale
01 Revised the Group’s 2026 Sustainable Financial Services commitment from RM20 billion to RM50 billion	<ul style="list-style-type: none"> The revised commitment takes into consideration the progress we have made since establishing the initial commitment in mobilising sustainable financial services in the fourth quarter of 2021. As at 31 December 2023, we have attained over RM23.8 billion in sustainable financial services, equivalent to 119% of the original RM20 billion target. We have established RHB’s Commitment to Net Zero by 2050, which will require the Group to accelerate efforts to support customers’ needs as they transition towards sustainable and low-carbon practices.
02 Revised the Group’s KPI 5 to reflect the establishment of the Group’s commitment to achieve Net Zero by 2050, and the Group’s decarbonisation strategy	<ul style="list-style-type: none"> RHB’s Net Zero commitment and decarbonisation strategy has been established based on the comprehensive groundwork carried out as part of the Group Climate Action Programme. We have established our financed emissions baseline and identified 5 key high impact sectors, which will drive the Group’s decarbonisation strategy. We have also established interim and long-term targets towards achieving Net Zero by 2050.

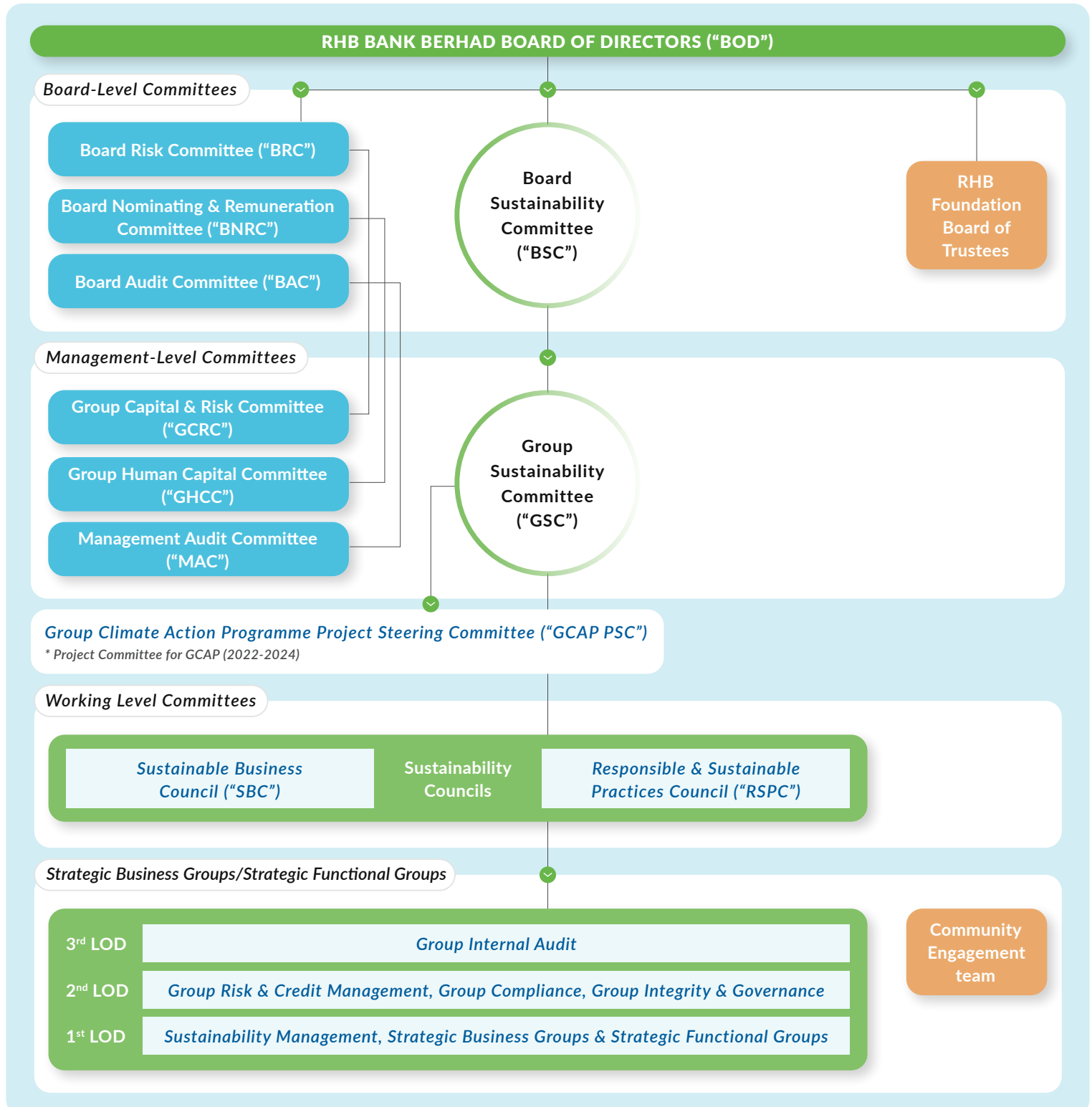
▲ For further information on the Group’s Net Zero commitment and decarbonisation strategy, please refer to page 82 of Sustainability Report 2023.

Sustainability Governance

RHB has established a robust sustainability governance structure, aligned with industry best practices and regulatory expectations.

Prioritising accountability and transparency, our sustainability governance structure underpins the effective execution of our Sustainability Strategy and Roadmap and enables us to drive the just and responsible transition to a low-carbon economy. By harnessing diverse perspectives and expertise, we strive to ensure our continued capacity to address stakeholders' expectations and navigate the evolving sustainability landscape.

RHB'S SUSTAINABILITY GOVERNANCE STRUCTURE



Sustainability Governance

BOARD-LEVEL OVERSIGHT

The Board of Directors (“the Board”) is the highest governing body in providing strategic direction and oversight of the Group’s Sustainability Strategy and Roadmap, including climate-related strategy.

The Board deliberates and provides guidance on the Group’s sustainability and climate-related strategy, to ensure that it is robust, meaningful and impactful.

The Board Sustainability Committee (“BSC”) supports the Board by providing strategic oversight of the Group’s sustainability and climate-related initiatives. They also review material Environmental, Social and Governance (“ESG”) matters across the Group’s business and operations, ensuring alignment with the Group’s overall business strategy.

Composition of the BSC

- The BSC is chaired by YBhg Datuk Iain John Lo (Independent Non-Executive Director)
- Its members are YBhg Dato’ Mohamad Nasir Ab Latif (Non-Independent Non-Executive Director), Mr Donald Joshua Jaganathan (Independent Non-Executive Director), and Puan Hijah Arifakh Othman (Independent Non-Executive Director)*

* Puan Hijah Arifakh Othman was appointed as a member of the BSC on 1 June 2023, following the resignation of Tan Sri Dr Rebecca Fatima Sta Maria

The BSC works closely with the Board Risk Committee (“BRC”), Board Nominating & Remuneration Committee (“BNRC”), and Board Audit Committee (“BAC”) in providing oversight on the relevant areas of sustainability and climate-related matters. The Group has established a Responsible, Accountable, Consulted and Informed (“RACI”) Framework for the BSC, BRC, BNRC and BAC to ensure that the Board Committees have clear delineation of responsibilities in their oversight and decision-making authority on sustainability and climate-related matters. In addition to this, the RHB Foundation Board of Trustees provides strategic guidance to drive the Group’s community engagement initiatives, aligned to the Group’s Sustainability pillar of Enriching and Empowering Communities.

The roles and responsibilities for the Board of Directors and respective Board Committees are as follows:

▶ RHB BANK BOARD OF DIRECTORS

- Highest governing body responsible for providing strategic direction and oversight of the Group’s Sustainability Strategy and Roadmap, including climate-related strategy

▶ BOARD SUSTAINABILITY COMMITTEE (“BSC”)

- Assists the Board in providing oversight on the Group’s material sustainability and climate-related issues and matters.
- Assists the Board of Directors in driving sustainability and climate-related strategies and roadmap.
- Provides strategic direction on:
 - > the Group’s sustainability governance structure towards ensuring accountability and effectiveness in the execution of the Group’s sustainability and climate-related strategies and roadmap
 - > the Group’s sustainability and climate-related disclosures towards ensuring compliance with regulatory requirements as well as international best practices
- Deliberate and approve:
 - > Group-wide sustainability and climate-related implementation plans
 - > Policies, frameworks, position statements, and/or stance in line with the Group’s sustainability and climate-related strategies and the approved priorities (with the exception of matters that relates to sustainability risks, including climate-related risks)

▶ BOARD RISK COMMITTEE (“BRC”)

- Provide oversight on the overall governance of risk across all entities of the Group
- Review and approve new and/or changes to policies and frameworks and other significant risk management matters, in line with the approved risk strategy of each relevant entity
- Review and approve Group Disclosures and Reports as required by regulatory authority

▶ BOARD AUDIT COMMITTEE (“BAC”)

- Responsible for ESG and climate-related audit findings arising from scheduled audits.
- Responsible for the Post Approval Credit Review (“PACR”) observations on compliance to Group Credit Policy/Guidelines in relation to ESG and climate matters.

Sustainability Governance

▶ BOARD NOMINATING AND REMUNERATION COMMITTEE (“BNRC”)

- Responsible for the Group’s Diversity, Equity and Inclusion (“DEI”) in the workplace agenda.
- Responsible for the review and assessment on the appointment/re-appointments of BSC members for recommendation to the Board of Directors.
- Responsible for the appointment/re-appointments and performance assessment of the Group’s Chief Sustainability Officer (“GCSO”) for recommendation to the Board of Directors.

▶ RHB FOUNDATION BOARD OF TRUSTEES

- Provides strategic guidance to RHB Foundation to drive the Group’s community engagement initiatives across the Group

MANAGEMENT OVERSIGHT AND STRATEGIC EXECUTION

The Group Sustainability Committee (“GSC”) strategically drives the effective execution of the Group’s sustainability and climate agenda, aligned with the Group’s Sustainability Strategy and Roadmap. Chaired by the Group Managing Director (“GMD”), the GSC comprises key members of RHB’s senior management team.

The GSC is chaired by the Group Managing Director and comprises key members of RHB’s senior management team

The Group Sustainability Committee (“GSC”):

- Assists the BSC and the Board of Directors to drive the integration of sustainability, including climate-related considerations, into the Group’s corporate strategy and decision-making process, and ensure effective execution of the Group’s Sustainability Aspirations and Key Performance Indicators (“KPIs”).
- Assists the BRC in providing oversight on the Group’s sustainability risks, including climate-related risks.
- Identifies and drives climate-related commercial opportunities, in line with the Group’s approved sustainability and climate action strategy.
- Provides guidance, sets targets and oversees the implementation of the GCAP.

The Group’s Chief Sustainability and Communications Officer (“GCSCO”) is supported by the Group Sustainability Management team to drive the execution of the Group’s sustainability strategy and focus areas. This includes close collaboration with Group Climate Risk Management in executing the GCAP.

The following respective Management Committees support the respective Board Committees, as well as the GSC, in providing targeted oversight on sustainability and climate-related issues.



Sustainability Governance

Sustainability-linked Remuneration

Since 2022, RHB has integrated sustainability into the Group's performance assessment and reward system, with sustainability KPIs included in the FY2023 Balanced Scorecard. Furthermore, the Group's Sustainability KPIs have been incorporated into the Balanced Scorecards of the Group's Senior Management and key sustainability champions, thus aligning executive remuneration with sustainability performance. Moving forward, RHB aims to further enhance its approach by strengthening the integration of sustainability and climate-related KPIs in the FY2024 Balanced Scorecard, ensuring accountability and driving progress towards their Net Zero ambitions.

SUSTAINABILITY IMPLEMENTATION AT WORKING LEVEL

At working level, the Group's sustainability councils are essential for driving the implementation and execution of the Group's sustainability agenda.

The Sustainable Business Council ("SBC") drives the Group's commercial sustainability and climate-related efforts, spanning lending and financing, capital markets and advisory, investments and products sales, asset management, wealth management, insurance, deposits and Value-Based Intermediation ("VBI").

► SUSTAINABLE BUSINESS COUNCIL ("SBC")

- *Drives the Group's Sustainability/ESG efforts which includes Value-based Intermediation ("VBI") as well as climate and climate-related matters into the Group's business activities, focusing primarily in driving the delivery of Group's Key Performance Indicators and ensuring the effective implementation of the relevant programmes and initiatives in line with the Group's Sustainability aspirations and climate strategy*
- *The SBC provides oversight on the following material matters and key focus areas:*
 - > *Sustainable Financial Services*
 - > *Financial Inclusion*
 - > *Advancing SMEs Towards Sustainable Business Practices*
 - > *Pathway to Net Zero to Reduce Financed Emissions by 2050*

Operationalising Sustainability

Across the Group, SBGs and SFGs are responsible for executing on-ground sustainability initiatives and programmes, tracking the performance of metrics and targets, as well as reviewing the effectiveness of relevant policies based on their materiality to the business or function.

In addition, the RHB Foundation, under the strategic guidance of its Board of Trustees, drives the Group's community engagement efforts, aligned to the Enriching and Empowering Communities pillar of the Group's Sustainability Strategy and Roadmap.

The Responsible and Sustainable Practices Council ("RSPC") promotes sustainability integration across the Group's operations, value chain, practices and decision-making processes.

► RESPONSIBLE AND SUSTAINABLE PRACTICES COUNCIL ("RSPC")

- *Embed and promote sustainability across the Group's operational value chain, practices and decision-making processes whilst promoting a workplace culture that is fair, inclusive and sustainable in line with the Group's sustainability and climate strategies. Drives the delivery of the Sustainability performance and targets of the following material matters and key focus areas:*
 - > *Environmental Stewardship, particularly the Group's operational (own) GHG emissions*
 - > *Ethics and integrity*
 - > *Responsible and Sustainable Supply Chain/Procurement*
 - > *Diversity, Equity, and Inclusion in the Workplace*
- *Put in place sustainability culture building programme and activities towards promoting the Group's sustainability vision, framework and principles amongst RHB employees*
- *Drive knowledge and capability building programmes*

The Group Climate Action Programme Project Steering Committee ("GCAP PSC") was established to oversee the progress of GCAP and manage the successful delivery and implementation of initiatives to comply with the requirements stated in the Climate Risk Management and Scenario Analysis Policy Document issued by Bank Negara Malaysia.

► GCAP PROJECT STEERING COMMITTEE ("GCAP PSC")

- *Steers, coordinates, and ensures the effective implementation of the Group's climate transformation journey in line with the Group's strategic direction and commitments and adhere to relevant regulatory guidelines.*
- *Addresses and resolves all operational and programme issues related to the Climate Action initiatives across all divisions in the Group*

▲ For further information on RHB's sustainability governance structure, please refer to Sustainability Governance on pages 30-39 in the RHB Sustainability Report 2023.

RHB's related Policies and Guidelines

RHB adopts a robust approach to managing sustainability-related risks and opportunities, guided by a comprehensive suite of internal frameworks, policies, processes and guidelines, which constitute the Group's Intellectual Capital. We adhere to rules, regulations, policies and practice notes issued by regulatory authorities governing our operations, alongside relevant industry best practices, standards and guidelines. Relevant frameworks, policies and guidelines are listed below.

In FY2023, three new policies and guidelines were established to manage our material matters, two of which are in relation to Climate Change, while the remaining is related to Sustainable Financial Services. These policies and guidelines are stated below.

Material Matter	Policies & Guidelines
<p>GB</p> <p>GOOD BUSINESS GOVERNANCE</p>	<ul style="list-style-type: none"> • Group Anti-Bribery & Corruption Policy • Group Whistleblowing Policy • Group Fit & Proper Policy • Group Corporate Sponsorship & Donation Policy • Group Policy on Related Party Transaction • Group Policy on Conflict of Interest • Group Anti-Money Laundering & Counter Financing of Terrorism Policy • Group Fraud Risk Management Policy • Group Gifts & Hospitality Guideline • Group Code of Ethics & Business Conduct for Directors • Group Code of Ethics & Conduct for Employees • RHB Corruption Free Pledge • RHB Organisational Anti-Corruption Plan • Annual Corruption Risk Assessment & Corruption Risk Management • Core Values ("P.R.I.D.E.") • Anti-Bribery & Corruption Stance and Commitments • Whistleblowing or Speak-up Channels and Avenues <p><i>Our Corporate Governance is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> • BNM Policy Document on Corporate Governance* • Bursa Main Market Listing Requirements* • Malaysian Code on Corporate Governance* • Bursa Malaysia Corporate Governance Guide 4th edition*
<p>DC</p> <p>DATA PROTECTION AND CYBERSECURITY</p>	<ul style="list-style-type: none"> • Technology and Cyber Risk Management Policy and Guideline • Group Data and Information Management Framework and Policy • Group Guidelines on the Personal Data Protection Act 2010
<p>SF</p> <p>SUSTAINABLE FINANCIAL SERVICES</p>	<ul style="list-style-type: none"> • Group ESG Eligible Business Activities Guidelines • Green Finance Handbook*** • No Deforestation, No New Peat and No Exploitation (NDPE) Policy • Coal Stance <p><i>Our ESG Eligible Business Activities Guidelines is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> • BNM Climate Change and Principle-based Taxonomy* • Guidelines on Unit Trust Funds by Securities Commission • Guidelines on Sustainable & Responsible Investment Funds by Securities Commission* • Sukuk: <ul style="list-style-type: none"> > Sustainable and Responsible Investment Sukuk Framework* • Bond: <ul style="list-style-type: none"> > ASEAN Green Bond Standards** • ASEAN Sustainability Bond Standards** • Green Bond Principles (International Capital Market Association)** • Sustainability Bond Guidelines (International Capital Market Association)** • Climate Bonds Standards**

RHB's related Policies and Guidelines

Material Matter	Policies & Guidelines
<p>FI</p> <p>FINANCIAL INCLUSION</p>	<ul style="list-style-type: none"> Approval Letter from the Ministry of Education - RHB's Academic Excellence & Financial Literacy Programmes* Group Sustainability & Communications Operations Manual RHB Foundation Operations Manual
<p>DI</p> <p>DIGITALISATION AND INVESTMENT IN TECHNOLOGY</p>	<ul style="list-style-type: none"> Risk Management in Technology RMIT Framework Technology And Cyber Risk Guideline
<p>CX</p> <p>CUSTOMER EXPERIENCE</p>	<ul style="list-style-type: none"> RHB Group Complaint Management Policy <p><i>Our Group Complaint Management Policy is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> BNM Complaints Handling Guidelines* BNM Fair Treatment of Financial Consumers Policy Guidelines* BNM Guidelines on Management of Customer Information and Permitted Disclosures*
<p>FC</p> <p>FAIR TREATMENT OF FINANCIAL CUSTOMERS</p>	<ul style="list-style-type: none"> RHB Group Complaint Management Policy <p><i>Our Group Complaint Management Policy is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> BNM Complaints Handling Guidelines* BNM Fair Treatment of Financial Consumers Policy Guidelines*
<p>SC</p> <p>SUSTAINABLE SUPPLY CHAIN</p>	<ul style="list-style-type: none"> Group Procurement Guidelines RHB's Supplier Code of Conduct
<p>CC</p> <p>CLIMATE CHANGE</p>	<ul style="list-style-type: none"> Group Risk Management Framework Group Climate Risk Management Framework ("GCRMF")*** Group Climate Risk Management Policy ("GCRMP")*** RHB Banking Group Credit Policy (which includes Prohibited Credits) Group Retail Credit Guidelines Group Market Risk Management Framework Group Liquidity Risk Policy Group Operational Risk Management Policy ESG Risk Assessment tool No Deforestation, No New Peat and No Exploitation (NDPE) Policy Coal Stance Group ESG Eligible Business Activities Guidelines The GHG Protocol Corporate Accounting and Reporting Standard (revised edition)** <p><i>Our GCRMF and GCRMP is aligned with:</i></p> <ul style="list-style-type: none"> BNM Climate Risk Management and Scenario Analysis Policy Document*

RHB's related Policies and Guidelines

Material Matter	Policies & Guidelines
<p>ES</p> <p>ENVIRONMENTAL STEWARDSHIP</p>	<ul style="list-style-type: none"> Group GHG Emissions Reduction Roadmap Towards Carbon Neutral Operations by 2030
<p>T</p> <p>TALENT</p>	<ul style="list-style-type: none"> Code of Ethics Group Disciplinary Policy Group Learning & Development Policy Group Performance Management Group Total Rewards Policy Internal Group Learning and Development-related Guidelines and Manuals Group Sustainability Capability Building Framework
<p>EHS</p> <p>EMPLOYEE HEALTH, SAFETY AND WELLNESS</p>	<ul style="list-style-type: none"> Group Occupational Safety and Health Policy Code of Conduct Group Disciplinary Policy Anti-Sexual Harassment Guidelines
<p>DO</p> <p>DIVERSITY AND EQUAL OPPORTUNITY</p>	<ul style="list-style-type: none"> Boardroom Diversity Policy Group Fit & Proper Policy Group Recruitment Policy Group Manpower Planning Guidelines
<p>CE</p> <p>COMMUNITY ENRICHMENT AND EMPOWERMENT</p>	<ul style="list-style-type: none"> Guidelines for Approval of Director General of Inland Revenue Under Subsection 44(6) of the Income Tax Act 1967* Approval Letter from the Ministry of Education - RHB's Academic Excellence & Financial Literacy Programmes* Group Corporate Sponsorship & Donation Policy Group Sustainability & Communications Operations Manual RHB Foundation Operations Manual

* Issued by regulators/authorities
 ** Issued by standard-setting body
 *** Established in FY2023

We are committed to continuously improving our frameworks, policies and guidelines in response to evolving sustainability challenges, stakeholder expectations, industry best practices and regulatory requirements. The frameworks, policies and guidelines that we have put in place to manage our material sustainability matters reflect our dedication to embracing sustainability and responsible business practices.

Net Zero 2050 Strategy

In FY2022, the RHB Group 5-Year (2022-2026) Sustainability Strategy and Roadmap was established and implemented as a holistic guide for the Group’s sustainability agenda. The Sustainability Strategy and Roadmap encompasses the four pillars of Sustainable & Responsible Finance, Committed to Achieving Net Zero by 2050, Embedding Good Practices, and Enriching & Empowering Communities. Pillar 2, Committed to Achieving Net Zero by 2050, was introduced in FY2023 and represents an enhancement of the Group’s prior climate sub-pillar, Pathway to a Climate Resilient Future. This enhancement to our Sustainability Strategy and Roadmap reflects the importance of climate change to the Group, and signals our commitment to drive the just and responsible transition towards a low-carbon economy.

In FY2023, RHB established its commitment to Achieve Net Zero Emissions by 2050, marking a significant step forward in the Group’s sustainability journey. With this commitment, the Group is aligned to Malaysia’s ambition of achieving Net Zero emissions as early as 2050, as well as the National Energy Transition Roadmap (“NETR”), which drives the nation towards this commitment. Furthermore, the Group’s commitment is in line with industry best practices, acknowledging that the financial sector is well-positioned to catalyse the transition to a low-carbon economy by directing financial capital towards sustainable and low-carbon activities. This will be critical to keeping warming levels below 1.5°C, to avoid catastrophic environmental damage including rising sea levels, extreme weather events and biodiversity loss. Moreover, RHB’s Net Zero commitment is aligned with regulatory expectations to drive the just, orderly and responsible transition towards a low-carbon economy.

RHB’S NET ZERO STRATEGY

The Group’s holistic Net Zero strategy will guide our efforts to drive the just and responsible transition to a low-carbon economy.

ACHIEVE NET ZERO EMISSIONS BY 2050			
	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3
<p>STRATEGIC OBJECTIVE</p> <p>2030 Targets</p> <p>2050 Targets</p>	<p>Addresses our existing portfolio exposure, managing the financed emissions arising from the identified five high impact sectors (Scope 3)</p> <p><i>Reduction of financed emissions¹ in five high impact sectors within our business:</i></p> <ul style="list-style-type: none"> • Energy Supply • Palm Oil • Oil & Gas • Property & Construction • Transport 	<p>Addresses green commercial opportunities and financial services that support companies committed to carbon neutrality with a clear and established transition strategy</p> <ul style="list-style-type: none"> • Driving growth in our Green Financial Services; and • Supporting companies committed to carbon neutrality with a clear and established transition strategy 	<p>Addresses the Group’s operational GHG emissions (Scope 1, Scope 2 and Scope 3, i.e. Business Travel by Road and Air)</p> <p><i>Integration of sustainable and low carbon practices into our own operations</i></p>
	<p>Achieve 20% reduction in Financed Emissions for the top five high impact sectors within our business</p>	<p>40% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy</p>	<p>Achieve Carbon Neutral Operations by 2030, covering Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) greenhouse gas emissions</p>
	<p>Achieve up to 96% reduction in Financed Emissions for the top five high impact sectors within our business</p>	<p>90% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy</p>	
Key Enablers			
<ul style="list-style-type: none"> • Group Climate Risk Management Framework & Policy • Sustainable Finance Framework and Guidelines² • Transition Finance Framework and Guidelines² • RM Playbooks • Coal Stance and NDPE Commitment • Prohibited Credits • ESG Sensitive Sectors, ESG Risk Assessment Tool & Sector Level Questionnaire • Sustainability Capability Building Framework • Data management and enhancement strategy • Sustainable Finance specialists across sectors • Strategic partnerships with industry players 			
<p>¹ Refers to the GHG emissions associated with RHB Group’s business activities</p> <p>² In development and expected to be completed in FY2024.</p> <p>Note: RHB’s Net Zero by 2050 approach will also factor in the progress and development of government policies, directives and incentives, as well as regulatory requirements pertaining to low-carbon transition.</p>			

▲ For more information our sector-specific strategies, please refer to page 97 of Sustainability Report 2023.

Recommendations from the TCFD Application Guide

Recommendation	RHB's Approach	Reference
<p>► GOVERNANCE</p>		
<p>G1</p> <p>Board Oversight of Sustainability and Climate-related Matters</p> <hr/> <p>Disclose nature of Board oversight and accountability with respect to sustainability and climate-related matters, risks and opportunities</p>	<ul style="list-style-type: none"> The RHB Bank Board of Directors is the highest governing body responsible for providing strategic direction and oversight of the Group's Sustainability Strategy and Roadmap, including climate-related strategy. The Board is supported by the Board Sustainability Committee ("BSC"), which works closely with the Board Risk Committee ("BRC"), Board Nominating & Remuneration Committee ("BNRC"), and Board Audit Committee ("BAC") in providing oversight on the relevant areas of sustainability and climate-related matters. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123), Sustainability Governance (Pages 110-113) in RHB Integrated Report 2023</p>
<p>G2</p> <p>Sustainability Governance Structure including Climate-Related Matters at the Management Level</p> <hr/> <p>Disclose management-level sustainability governance structure as well as processes for sustainability and climate-related matters, including accountability, responsibility, and decision making.</p>	<ul style="list-style-type: none"> The Group Sustainability Committee ("GSC") drives the effective execution of the Group's sustainability and climate agenda, aligned with the Group's Sustainability Strategy and Roadmap. The GSC is chaired by the Group Managing Director ("GMD") and comprises key members of RHB's senior management team. The Group Chief Sustainability and Communications Officer, supported by the Group Sustainability Management team, drives the execution of the Group's sustainability strategy and focus areas, including collaborating with Group Climate Risk Management in executing the GCAP. The respective Management Committees of the Group support the respective Board Committees, as well as the GSC, in providing targeted oversight on sustainability and climate-related matters within their purview. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123), Sustainability Governance (Pages 110-113) in RHB Integrated Report 2023</p>
<p>G3</p> <p>Sustainability and Climate-related Board Credentials</p> <hr/> <p>Disclose sustainability and climate-related credentials, experience and individual biographies for Board members.</p>	<ul style="list-style-type: none"> To ensure the effectiveness of the Board in discharging its responsibilities, Board members are assessed on an annual basis via the Board Effectiveness Evaluation ("BEE") exercise. We facilitate the continuous learning of our Board of Directors with knowledge-sharing sessions, key industry forums and training programmes to enable them to guide the Group in navigating the evolving sustainability landscape. This includes relevant climate-related knowledge to effectively oversee the Group's climate agenda, ensuring that they remain well-informed sustainability and climate-related development. RHB Banking Group Directors participated in 11 knowledge sessions on sustainability-related matters in FY2023. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123), Sustainability Governance (Pages 110-113) in RHB Integrated Report 2023</p>

RHB's Climate-related Financial Disclosures

Recommendation	RHB's Approach	Reference
▶ GOVERNANCE (CONT'D)		
<p>G4</p> <p>Sustainability and Climate-Related Training</p> <hr/> <p>Disclose the initiatives undertaken and training programmes conducted annually to build capacity of Board members and management on sustainability issues including climate-related matters.</p>	<ul style="list-style-type: none"> In FY2023, the focus areas covered in the Board's training related to sustainability and climate change were leadership, governance and oversight for sustainability, net zero and decarbonisation, regulatory requirements and developments and sustainability reporting and disclosure. In FY2023, relevant members of the BSC and the Group's senior management participated in three sustainability and climate-related training programmes, including the Sustainability Programme hosted by INSEAD Business 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123), Sustainability Governance (Pages 110-113) in RHB Integrated Report 2023</p>
<p>G5</p> <p>Sustainability and Climate-related Discussions in Board Meetings</p> <hr/> <p>Disclose the frequency of Board meeting per year in which sustainability and climate-related issues have been a substantial agenda item, and a summary of key climate-related issues and initiatives deliberated.</p>	<ul style="list-style-type: none"> Across the Board, the BSC, BRC, BAC and BNRC, 24 meetings with sustainability and climate-related agenda were held in FY2023. Among the key issues discussed include RHB's Net Zero Commitment, the revision to the Group's Sustainable Financial Services Commitment, financed emissions baseline and updates on the Group's sustainability achievements, ESG sensitive sector analysis and the Group Climate Action Programme. Various other sustainability and climate-related progress, strategies and initiatives were also discussed by every Board Committee. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123), Sustainability Governance (Pages 110-113) in RHB Integrated Report 2023</p>
<p>G6</p> <p>Sustainability/Climate-linked Remuneration</p> <hr/> <p>Link Board of Director (excluding independent directors) and top management remuneration to performance against specific sustainability and climate-related targets.</p>	<ul style="list-style-type: none"> Sustainability and climate-related considerations have been linked to performance assessment and reward system since 2022. In FY2023, sustainability and climate-related considerations was incorporated as a Key Performance Indicator ("KPI") with assigned weightage in the Group's FY2023 Balanced Scorecard. Five approved Sustainability KPIs, including on climate matters were also embedded into the Balanced Scorecard of the Group's Senior Management. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123), Sustainability Governance (Pages 110-113) in RHB Integrated Report 2023</p>

Recommendation	RHB's Approach	Reference
<p>► STRATEGY</p>		
<p>S1</p> <p>Identification of Climate-related Risks and Opportunities</p> <hr/> <p>Review the financial institution's strategy to identify and disclose climate-related risks and opportunities over the short-, medium- and long-term.</p>	<ul style="list-style-type: none"> In FY2023, RHB established its commitment to Achieve Net Zero Emissions by 2050. The net zero strategy consists of three strategic objectives which cover targets for 2030 and 2050. <p>► Strategic Objective 1</p> <p>Addresses existing portfolio exposure, managing the financed emissions arising from the identified five high impact sectors (Scope 3)</p> <p>► Strategic Objective 2</p> <p>Addresses green commercial opportunities and financial services that support companies committed to carbon neutrality with a clear and established transition strategy</p> <p>► Strategic Objective 3</p> <p>Addresses the Group's operational GHG emissions (Scope 1, Scope 2 and Scope 3, i.e. Business Travel by Road and Air)</p>	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023</p>
<p>S2</p> <p>Impact of Climate-related Risks and Opportunities</p> <hr/> <p>Assess and disclose how climate-associated risks and opportunities could affect the financial institution's existing businesses, strategy, and financial planning.</p>	<ul style="list-style-type: none"> RHB actively embeds sustainability and climate considerations into our credit assessment and approval process. Since FY2019, such considerations have been progressively integrated into RHB's lending and financing criteria, notably through the enhancement of our Credit Policy, and developing an ESG risk assessment tool to evaluate the non-retail portfolio. Integration of climate considerations into the Group's lending and financing practices is guided by the Group Climate Action Programme, which includes integrating Bank Negara Malaysia Climate Risk Management and Scenario Analysis ("CRMSA") requirements into our risk management process. The Bank's credit decisions are guided by customers' ESG risk rating, which is generated via the ERA tool. Borrowers rated as "High Risk" will be classified as Exceptional Credits, whereby approval will be escalated to a higher approving authority. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023), Sustainability and Climate-related Risk Management (Pages 102-109 in RHB Sustainability Report 2023)</p>
<p>S3</p> <p>Strategy and Risk Appetite on Climate Change-Related Risks and Sustainability Measures</p> <hr/> <p>Disclose strategy and appetite with regard to climate-related risks and opportunities and the measures towards sustainability in the financial institution's business activities.</p>	<ul style="list-style-type: none"> The Group has taken into consideration climate change impact and related risks in its established Risk Library. RHB manages climate-related risks by incorporating climate risk considerations into all risk categories/types, where applicable. In addition, transmission channels (i.e. the causal chains linking climate change impacts and/or related risks to other risk categories/types) have been established and are taken into consideration as part of the annual Material Risk Assessment ("MRA") exercise. 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023), Sustainability and Climate-related Risk Management (Pages 102-109 in RHB Sustainability Report 2023)</p>

RHB's Climate-related Financial Disclosures

Recommendation	RHB's Approach	Reference
▶ RISK MANAGEMENT		
<p>R1</p> <p>Process for identifying and Assessing Climate-related Risks</p> <ul style="list-style-type: none"> • Disclose how the financial institution looks at existing and emerging regulatory requirements related to climate change and other relevant factors. • Disclose the risk classification framework(s) used. • Disclose the risk terminology definitions used or existing risk classification framework(s) used. 	<ul style="list-style-type: none"> • We are guided by BNM's Climate Change and Principle-based Taxonomy ("CCPT") and Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document. Additionally, the BNM Policy Document for 2024 Climate Risk Stress Testing Exercise – Methodology Paper will guide our climate stress test efforts. • Our overseas operations are guided by their respective country's regulations, such as the Monetary Authority of Singapore ("MAS") Guidelines on Environmental Risk Management for Banks, Asset Managers and Insurers. We will continue to stay abreast of climate-related regulatory requirements affecting our countries of operations, and will endeavour to incorporate them into our risk management approach, where relevant and as required. 	<p>▲</p> <p><i>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023</i></p>
<p>R2</p> <p>Process for Managing Climate-related Risks</p> <ul style="list-style-type: none"> • Disclose the financial institution's risk management processes and controls. • Disclose the identities of individual(s)/ functions(s) responsible for oversight of climate-related risks and its relationship with the business operations. 	<ul style="list-style-type: none"> • In FY2023, the Group established a Group Climate Risk Management Framework ("GCRMF") and Group Climate Risk Management Policy ("GCRMP"). The GCRMF and GCRMP set out the overarching principles and guiding standards governing the management of climate-related risks throughout RHB Banking Group. Both documents have been rolled out to our Malaysian and Overseas operations. • The Group introduced a Climate Risk Dashboard in FY2023, to facilitate effective monitoring and tracking of key climate risk metrics. • In addition, the Bank has implemented risk appetite metrics for climate risk, which are included in the annual Group Risk Appetite Setting ("RAS") 	<p>▲</p> <p><i>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023</i></p>
<p>R3</p> <p>Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management.</p> <ul style="list-style-type: none"> • Disclose the integration of processes for identifying, assessing, and managing climate-related risks into overall risk management. • Disclose processes for prioritising climate-related risks, including how materiality determinations are made within the financial institution. 	<ul style="list-style-type: none"> • The relevant BNM CRMSA requirements were incorporated into internal risk documentation governing respective financial and non-financial risk types, including credit risk, market risk, liquidity risk, operational risk and insurance risk. • The Group has incorporated climate-related impacts and related risks into all risk categories/types, where applicable. In addition, transmission channels have been established and taken into consideration as part of the annual Material Risk Assessment exercise. 	<p>▲</p> <p><i>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023</i></p>

RHB's Climate-related Financial Disclosures

Recommendation

RHB's Approach

Reference

► METRICS & TARGETS

M1

Key Climate-related Metrics

- **GHG Emissions:** Disclose historical and current GHG Emissions (Example unit of measure – MT of CO₂e).
- **Transition Risks:** Disclose amount and extent of assets or business activities vulnerable to transition risks (Example unit of measure – Amount or percentage).
- **Physical Risks:** Disclose amount and extent of assets or business activities vulnerable to physical risks (Example unit of measure – Amount or percentage).
- **Climate-Related Opportunities:** Disclose proportion of revenue, assets or other business activities (financing & investment) aligned with climate-related opportunities (Example unit of measure – Amount or percentage).
- **Client Engagement:** Disclose client engagements on climate-related risks and opportunities (Example unit of measure – percentage).
- **Capital Deployment:** Disclose amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities (Example unit of measure – Reporting currency).
- **Remuneration:** Disclose proportion of director and/or senior management remuneration linked to sustainability considerations (Example unit of measure – Percentage, weighting, description, or amount in reporting currency).

Financed Emissions (MTCO₂e)

2022 Total Absolute Financed Emissions	9.26*	Covering all PCAF asset classes (AC1-AC7) across all sectors
2022 Total Financed Emissions from Key Sectors	7.63	Covering top 5 high impact sectors i.e. Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport

* Note that numbers have been rounded to 2 decimal points.

Green Financial Services

Cumulative (July 2021 – December 2023):	FY2023:
RM11.3 billion	RM6.7 billion*

* This data has been externally assured. Refer to independent limited assurance report in RHB's Sustainability Report 2023.

Operational GHG Emissions

Scope 1 GHG Emissions (tCO₂e)



Scope 2 GHG Emissions (tCO₂e)



* This data has been externally assured. Refer to independent limited assurance report in RHB's Sustainability Report 2023.

Scope 3 GHG Emissions (tCO₂e)



RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023

RHB's Climate-related Financial Disclosures

Recommendation	RHB's Approach	Reference
▶ METRICS & TARGETS (CONT'D)		
<p>M2</p> <p>Key climate-related Targets</p> <hr/> <p>Set and disclose clear climate-related targets based on recognised metrics (including cross-industry, sector specific metrics and/or institution-specific metrics).</p>	<p>Financed Emissions</p> <ul style="list-style-type: none"> By 2030, achieve 20% reduction in Financed Emissions for the top 5 high impact sectors within our business By 2050, achieve up to 96% reduction in Financed Emissions for the top 5 high impact sectors within our business <p><i>Note: 5 high impact sectors refer to energy supply, palm oil, oil & gas, property & construction and transport.</i></p> <p>Green Financial Services</p> <ul style="list-style-type: none"> By 2030, 40% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy By 2050, 90% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy <p>Operational GHG Emissions</p> <ul style="list-style-type: none"> Reduce 45% of total GHG emissions by 2026 from the 2016 baseline as per 5-year GHG emission reduction roadmap; and achieve carbon neutral operations by 2030 	<p>▲</p> <p>RHB's Climate-Related Financial Disclosures (Pages 118-123) in RHB Integrated Report 2023</p>

* The TCFD Index was referenced to the Task Force on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions by The Joint Committee on Climate Change (JC3).

...Driving Sustainable & Responsible Finance

We acknowledge the pivotal role that we play in building a sustainable future as a financial services group. Our commitment to driving sustainable and responsible finance is embedded in our TWP24 corporate strategy. We aim to support our clients in transitioning to more sustainable business practices through innovative financial products and services. Consequently, we have expedited efforts to integrate sustainability and climate-related considerations across all our business activities, including lending and financing, capital markets and advisory, investment, wealth management, and insurance. These considerations are concurrently being incorporated into our risk management and governance processes, ensuring a comprehensive, sound, and strategic approach to mobilising sustainable finance. Additionally, we are extending our support for financial inclusion, enhancing digital banking services, and delivering a superior customer experience.

► VISION

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth.

► FOCUS AREA

1 Sustainable Financial Services

Create positive impacts through our lending, capital markets, wealth management, deposits, investment, asset management, and insurance businesses

2 Financial Inclusion

Provide financial services to targeted segments of the community (students, new to workforce, the underserved) and businesses (SMEs, microenterprises, etc.)

3 Advancing SMEs Towards Sustainable Business Practices

Nurture and support SMEs in their journey towards building a sustainable business

► SUSTAINABILITY FOCUS AREA

- Sustainable Financial Services
- Financial Inclusion
- Advancing SMEs Towards Sustainable Business Practices

► TWP24 FOCUS AREA

- Catalyse Sustainability
- Be the Primary Financial Services Provider
- Employ Cutting Edge Technology
- Accelerate Intelligent Banking Services

► RHB SUSTAINABILITY KPI

- KPI 1: Mobilise RM50 billion in Sustainable Financial Services by 2026
- KPI 2: Empowering over 2 million targeted individuals and businesses across ASEAN by 2026

► UN SDGS



► MATERIAL MATTERS

- | | |
|--|---|
| CC Climate Change | DI Digitalisation and Investment in Technology |
| FI Financial Inclusion | CX Customer Experience |
| SF Sustainable Financial Services | FC Fair Treatment of Financial Customers |

Sustainable Financial Services

SF

- Mobilised over RM23.8 billion in sustainable financial services since July 2021, with RM12.5[^] billion mobilised in FY2023 across lending and financing, capital market and advisory, investment, wealth management, and insurance. In view of this progress, the Group has revised its 2026 Sustainable Financial Services commitment from RM20 billion to RM50 billion.
- Mobilised nearly:

RM6.7[^] billion
in eligible green activities

RM2.2[^] billion
in eligible social activities

RM3.7[^] billion
in eligible ESG-linked activities

[^] This data has been externally assured. Please refer to the independent limited assurance report in the RHB Sustainability Report 2023.

▲ For more details, refer to Sustainable Financial Services on pages 117-137 in RHB's Sustainability Report 2023.

Financial Inclusion

FI

- **RM66.9 million** of financing was approved and accepted through the RHB **Supplier and Vendor Financing Programme** in collaboration with Syarikat Jaminan Pembiayaan Perniagaan ("SJPP"), benefitting approximately 30 SMEs.
- **RM778.6 million** offered to a total of **2,705 customers** via the **Skim Jaminan Kredit Perumahan ("SJKP") Home Financing-i** to promote homeownership among lower-income individuals.
- Introduced **RHB Rahmah Personal Accident Insurance** in 2023, providing affordable personal accident protection for the B40 segment.
- Rolled out **RHB Perlindungan Hero** in 2023, providing affordable yearly renewable basic protection for all.
- Since 2022, **over 600,000 students** from 20 public universities have opened a ProSavings-i account and obtained a **MySISWA** debit card, promoting financial independence and supporting a cashless campus.

▲ For more details, refer to Financial Inclusion on pages 138-141 in RHB's Sustainability Report 2023.

...Driving Sustainable & Responsible Finance

Advancing Small and Medium Enterprises (“SMEs”)

- The **Sustainable Financing Programme (“SFP”)** offers green product bundles to SME and Retail customers across four categories of Green Energy, Green Building, Green Products and Green Processes.
- The **SME Green Financing Solutions**, which are part of the Sustainable Financing Programme, provide SMEs with working capital to support their low-carbon transition. The available facilities include:

▶ SME Green Renewable Energy Financing

▶ SME Green Commercial Property Financing

▶ SME Green Working Capital Financing

▶ SME Green CAPEX Financing facilities

▶ SME Green Technology Financing

- Approved and accepted the following loans:

RM1.5 billion

of Sustainable Financing

(September 2021 - December 2023)

RM1.1 billion

of SME Green Financing

- Mobilised **RM258.8 million** via **BNM's Low Carbon Transition Facility (“LCTF”)** to advance SMEs' adoption of sustainable and low-carbon practices.
- Became the first financial services provider to **collaborate with Tenaga Nasional Berhad (“TNB”)** to facilitate the transition of SMEs to low-carbon practices. This collaboration offers comprehensive support, including awareness and knowledge sharing, technical advice on energy efficiency and renewable energy solutions, and Green Financing Solutions. In November 2023, RHB and TNB co-organised an engagement session that educated over **200 SMEs** within the Klang Valley on sustainable business practices.
- Benefitted **over 800 SMEs** during the year, providing education and support for sustainable practices through RHB's capability-building initiatives, including roadshows and awareness campaigns.

▲ For more details, refer to Sustainable Financial Services on pages 117-137 in RHB's Sustainability Report 2023.

Digitalisation and Investment in Technology

DI

- **4,297[^] customers** onboarded to our **SME e-Solutions** platform, benefitting from a range of management solutions for SMEs.
- Maintained an average approval turnaround time of **0.6 days** thanks to our **iSmart Solution**, which enhances the efficiency of our RMs in assessing and approving loan applications.
- **Improving Employee Productivity:** In recent years, we have embraced the concept of “Agile” across the organisation. We are currently executing several Agile projects and improvement initiatives such as cost optimisation, processes and strategic system enhancements, all gearing towards elevating productivity at the Group level.

[^] This data has been externally assured. Please refer to the independent limited assurance report in the RHB Sustainability Report 2023.

Customer Experience

CX

- **124 Squad/Circle leads** were certified in the RHB CX Design Principles for Customer Journeys and Communications, resulting in improved understanding and utilisation of the RHB CX Design Principles to foster innovation.
- **Elevating Service Levels:** We implemented a generative AI Chatbot to assist our frontline staff in addressing customers' enquiries, saving time and enhancing consistency in service quality.
- **Digital & Hyper-Personalised Customer Experience:** We introduced a team of Premier Service Managers (“PSM”) dedicated to delivering swift and personalised service to our Premier customers via our virtual service platform.
- RHB Group is pleased to have improved its overall industry ranking, and as of 2023, is currently ranked at 2nd place in the industry. This is complemented by an improvement in our NPS score, from +12 to +20. Our NPS score also demonstrated a larger improvement compared to the overall industry, with an increase of 8 points (compared to an Industry increase of 6 points).

Fair Treatment of Financial Customers

FC

- We fully implemented the **Centralised Complaints Resolution (“CCR”) team** to manage complaints-end-to-end, adhering to the Group Complaints Management Policy.
- **19** frontline and support employees were trained in Customer Centric Writing, focusing on strategies to positively impact the customer to better meet their needs.
- **Customer Awareness and Experience Enhancement:** We conducted customer education and awareness on fraud and scams through weekly postings on the corporate website and social media.

▲ For information on three-year performance data on Driving Sustainable & Responsible Finance, refer to Sustainability Performance Data in RHB's Sustainability Report 2023.

...Embedding Good Practices

Our commitment to sustainability begins by ensuring that we build a solid foundation for our operations across every level of our organisational structure. Integrity, transparency and accountability are not only principles, but practices that are embedded in every decision we make and every interaction we have with our stakeholders. Integrity in all aspects of our business is paramount to long-term success. RHB embeds good practices across our business and operations through tangible initiatives that uphold the highest standards of ethical business practices and responsible behaviour. Our unwavering commitment is reflected in our robust corporate governance framework, inclusive workplace culture, sustainable supply chain management, and environmentally conscious operations. We endeavour to ensure that the impact of these efforts on our employees, senior management, business partners, suppliers and other stakeholders across our value chain are measurable, transparent and collaborative. We strive to be a leader in corporate stewardship, shaping a responsible future for all.

► VISION

Foster responsible practices and nurture a sustainable culture within our organisation

► FOCUS AREA

1 Ethics and Conduct

Uphold integrity, ethics and compliance through robust policies and processes

2 People and Workplace

Promote employee development and nurture a fair, diverse and inclusive workforce

3 Sustainable Supply Chain

Promote responsible and sustainable practices across the Group's supply chain

► SUSTAINABILITY FOCUS AREA

- Ethics and Conduct
- People and Workplace
- Sustainable Supply Chain
- Carbon Neutral Operations

► TWP24 FOCUS AREA

- Be the Primary Financial Services Provider
- Employ Cutting Edge Technology
- Develop a Future-ready Workforce
- Catalyse Sustainability

► UN SDGS



► MATERIAL MATTERS

- | | |
|---|---|
| GB Good Business Governance | DO Diversity and Equal Opportunity |
| DC Data Protection and Cybersecurity | ES Environmental Stewardship |
| T Talent | SC Sustainable Supply Chain |
| EHS Employee Health, Safety and Wellness | |

► RELEVANT BURSA COMMON SUSTAINABILITY MATTERS

- Anti-corruption
- Data privacy and security
- Labour practices and standards
- Health and safety
- Diversity
- Energy management
- Water
- Waste management
- Supply chain management

Leadership Composition and Diversity

- The Board's composition maintained its 30% female representation, highlighting the Group's effort to improve diversity metrics within leadership.
- As of 2023, women in top and senior management positions reached 33.9%[^], exceeding the FY2023 target of 32.0%.

▲ For more details, refer to Board Composition and Diversity on page 163 in RHB's Sustainability Report 2023 and pages 132-133 of the Integrated Report.

[^] This data has been externally assured. Please refer to the independent limited assurance report in the RHB Sustainability Report 2023.

Anti-Bribery and Corruption

- Conducted a total of **24** awareness and knowledge-sharing sessions on anti-bribery and corruption, training **5,831 employees** across the sessions.
- 100% of operations assessed for corruption-related risks.
- 100% of Board of Directors, employees and suppliers and vendors received communication on the Group's policies and procedures related to anti-bribery and corruption.
- Mandatory Anti-Bribery and Corruption e-learning for all new joiners in the year recruited. For existing staff, the e-learning module is compulsory once every two years.

▲ For more details, please refer to Anti-Bribery and Corruption on pages 164-167 of the RHB's Sustainability Report 2023 and on pages 162-182 in the Corporate Governance Overview Statement of this Report.

Cybersecurity and Data Protection

- Towards continuous enhancement of our data protection efforts, the Bank engaged an external party to review of RHB's PDPA compliance level, assessing the effectiveness of the current and measures and established improvement plans aimed at safeguarding customer personal data.
- Enhanced due diligence checklists for vendors and outsourced service providers ("OSPs") were implemented to ensure alignment to the BNM Guidelines on Management of Customer Information and Permitted Disclosure ("MCIPD"). In 2023, we conducted three Secrecy and Information Security Awareness knowledge-sharing sessions with representatives from 18 of the Bank's OSPs.

...Embedding Good Practices

Talent

T

- Invested over **RM32.6 million** in learning and development in 2023, averaging 22[^] training hours per employee.

Total training hours:

313,783 hours

- Implemented over 60 training programmes as part of the **Sustainability Capability Building Framework ("SCBF")**, with a further **2,000 employees** completing in-house sustainability e-learning modules.
- Upskilled **494** employees via the **Future Skills Programme**, preparing our workforce to meet the demands of digitalisation.
- 78** employees participated in the 10-week **Leadership Signature Programme ("LSP")** to enhance leadership skills and business acumen, reinforcing the talent pipeline.

▲ For more details, refer to Talent on pages 172-184 in RHB's Sustainability Report 2023.

^ This data has been externally assured. Please refer to the independent limited assurance report in the RHB Sustainability Report 2023.

Diversity and Equal Opportunity

DO

- Integrated Diversity, Equity & Inclusion ("DEI") into Key Performance Indicators:** DEI has been integrated into the Group's Sustainability KPIs, which will be tracked, monitored and disclosed.
- Conducted a total of **24** awareness and knowledge-sharing sessions on anti-bribery and corruption, training **4,168 employees** across the sessions.
- 78 employees** have enrolled in the **Women in Leadership League ("WILL")** since its inception in 2021. WILL aims to cultivate a strong pipeline of high potential women leaders to support the Group's DEI aspirations.
- 16 participants** secured internships or job placements through **RHB #Empower**, a programme that focuses on helping neurodiverse youths to integrate into society. **3 individuals** secured placements within RHB Banking Group.

▲ For more details, refer to Diversity and Equal Opportunity on pages 192-199 in RHB's Sustainability Report 2023.

Employee Health, Safety and Wellness

EHS

- 51 employees** benefitted from the **H.E.A.L. Programme**, a personalised dietary programme promoting a healthy lifestyle for eligible individuals. 64% of participants experienced weight loss through the programme.
- 17 employees** benefitted from professional mental and emotional support services through the Employee Assistance Programme ("EAP"), which was launched in 2023.
- 20 employees** were selected as Peer Support-ers to be trained under the **RHB C.A.R.E. Programme**, a newly-launched programme that aims to cultivate skilled peer supporters within the workforce. 10 employees successfully graduated from the Programme.

Environmental Stewardship

ES

- Completed Phase 1 of Solar Installation process as part of our Carbon Neutral Operations by 2030 Plan. Between September 2023 to December 2023, we recorded estimated emissions reduction of **105 tCO₂e**.
- Achieved over **43% reduction** in Operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air)) GHG emissions compared to 2016 baseline.
- Recorded an **8.3% decrease** in water consumption compared to FY2022, amounting to 115,760m³.
- Recorded a **7.3% decrease** in paper consumption compared to FY2022, amounting to 142,600 reams.

▲ For more details, refer to Environmental Stewardship on pages 200-203 in RHB's Sustainability Report 2023.

Sustainable Supply Chain

SC

- Introduced the **RHB Supplier Code of Conduct** in 2023, which outlines the Group's expectations for our suppliers to progressively integrate ESG considerations into their business practices.
- 70 key suppliers** participated in a knowledge-sharing session on RHB's Anti-Bribery and Corruption policy, towards strengthening integrity practices across our supply chain.
- We invest a significant amount in procuring goods and services every year to support our business operations. Our suppliers comprise a diverse range of local and foreign-owned businesses:

RM643 million

total spending on suppliers

695

total suppliers and vendors

74%

of total spending on technology

▲ For more details, refer to Sustainable Supply Chain on pages 204-207 in RHB's Sustainability Report 2023.

▲ For information on three-year performance data on Embedding Good Practices, refer to Sustainability Performance Data in RHB's Sustainability Report 2023.

Building trust and fostering deep connections within our communities is a central component of RHB's sustainability strategy and social impact agenda. We achieve this through collaborative partnerships and impactful community engagement initiatives, ensuring that every action leaves a lasting, positive impact. Our employees are empowered to contribute and participate in these initiatives, fostering a culture of social responsibility and shared progress. By nurturing the potential of future generations and uplifting vulnerable and underserved segments, we are committed to improving the long-term well-being of our communities, strengthening our social license to operate and creating value for all.

► VISION

Create long-term positive impacts on the communities, focusing on nurturing children and young adults

► FOCUS AREA

1 Nurturing Future Generations

Promote growth and resilience in children and youth through holistic learning and self-development programmes

2 Lifting Communities

Improve the lives of vulnerable & underserved segments of the community through meaningful community engagement initiatives which includes capacity building and skills development programmes

► SUSTAINABILITY FOCUS AREA

- Nurturing Future Generations
- Lifting Communities

► TWP24 FOCUS AREA

- Catalyse Sustainability
- Integrate into Key Islamic Ecosystems

► RHB SUSTAINABILITY KPI

- KPI 2: Empowering over 2 million targeted individuals and businesses across ASEAN by 2026

► UN SDGS



► MATERIAL MATTERS

CE Community Enrichment and Empowerment

DC Financial Inclusion

► RELEVANT BURSA COMMON SUSTAINABILITY MATTERS

- Community/society

Community Empowerment and Enrichment

- **Over 10,800** students participated in our flagship **Money Ma\$ter Programme**, which strives to improve financial literacy among secondary school students.
- The **RHB X-Cel Academic Excellence Programme** and **RHB X-Cel Star Scholarship** initiatives aim to help underprivileged youths excel in their studies while nurturing their unique talents. Since 2018, the X-Cel Academic Excellence Programme has positively impacted over **9,360 secondary school students**, while the X-Cel Star Scholarships have provided over **RM1.27 million** in financial support to almost **50 students** since 2019.
- **RHB #Empower**, launched in 2023, equips young neurodivergent adults with employment and independent living skills, aiding their social integration and providing employment opportunities. The programme's first cohort of **20 participants** completed their training in June 2023, with 16 securing placements with various employment partners.



- **RHB Touch Hearts:** An employee-driven initiative empowering RHBians to independently identify local community engagement projects, focusing on supporting underserved and underprivileged communities. This initiative benefited over 18,000 individuals and through the projects implemented, we planted over 5,400 trees, including 4,000 mangrove trees.

...Enriching & Empowering Communities



- RHB empowers micro, small, and medium enterprises (“MSMEs”) through training, mentorship, and seed funding opportunities via programmes like the **B40 Empowerment Strategy-Be Your Own Boss (“BEST-BYOB”)** and **RHB #JomBiz**. In FY2023, these programmes helped almost **30** BEST-BYOB graduates become pre-franchise entrepreneurs (initial incomes RM1,500-RM30,000), while RHB #JomBiz benefitted **329[^]** businesses and granted seed funding to **60 MSMEs**.

[^] This data has been externally assured. Please refer to the independent limited assurance report in the RHB Sustainability Report 2023.

- RHB Ocean Harmoni:** We conducted financial literacy sessions for nearly **1,000 individuals**, aiming to promote financial inclusion and empower informed financial decision-making. Additionally, we engaged in hands-on conservation activities such as baby coral planting at Pulau Rawa as part of the UM Pulih project in collaboration with Diveheart and UMMC.



- B40 Education Empowerment Programme (“BEEP”):** A holistic initiative aimed at enhancing educational access for children in the B40 community. It addresses financial constraints, limited resources, and restricted opportunities through initiatives like Program Tuisyen Pintar, Program Selangkah ke Universiti, and Skim Anak Angkat, with an allocated Zakat Fund of RM264,300.



- Skill Development Projects: 500 asnaf** and B40 community members were empowered through comprehensive training in tailoring skills and business management.



- RHB Islamic Green Mosque:** RHB Islamic has partnered with MGTC under the Masjid Hijau initiative, which promotes sustainable practices by implementing green technologies such as Solar Photovoltaic systems and rainwater harvesting in mosques, aiming to reduce carbon footprints and foster environmental sustainability. Installation of solar PV at selected mosques is expected to yield significant cost savings and promote energy independence

▲ For more details, refer to Community Empowerment and Enrichment on pages 209-229 in RHB’s Sustainability Report 2023.
 ▲ For information on three-year performance data on Enriching & Empowering Communities, refer to Sustainability Performance Data in RHB’s Sustainability Report 2023.

Performance Data Table from Bursa ESG Reporting Platform

The performance data table below has been prepared in accordance with the requirements of the Bursa Main Market Listing Requirements, and in line with the enhanced Sustainability Reporting Guide, 3rd Edition. It summarises the key indicators that are pertinent to RHB's material matters, which are as disclosed on pages 37-41.

Indicator	Measurement Unit	2020	2021	2022	2023
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	-	8.90	36.50	11.70
Executive	Percentage	-	14.70	46.30	22.40
Non-executive/Technical Staff	Percentage	-	3.10	12.90	7.00
General Workers	Percentage	-	0.20	0.10	0.60
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	98.50	98.30	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	1	0	1
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	9,151,474.00	3,925,807.00	4,993,868.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	30,992	90,665	50,050
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	-	3.00	3.30	4.60
Management Between 30-50	Percentage	-	72.70	72.70	70.80
Management Above 50	Percentage	-	24.30	24.00	24.50
Executive Under 30	Percentage	-	29.70	28.70	31.70
Executive Between 30-50	Percentage	-	62.90	62.70	58.40
Executive Above 50	Percentage	-	7.40	8.60	9.80
Non-executive/Technical Staff Under 30	Percentage	-	11.50	9.20	8.10
Non-executive/Technical Staff Between 30-50	Percentage	-	68.60	67.20	65.00
Non-executive/Technical Staff Above 50	Percentage	-	20.00	23.60	26.90
General Workers Under 30	Percentage	-	7.30	7.60	7.70
General Workers Between 30-50	Percentage	-	62.50	61.80	60.30
General Workers Above 50	Percentage	-	30.30	30.70	32.10
Gender Group by Employee Category					
Management Male	Percentage	-	47.50	47.40	46.50
Management Female	Percentage	-	52.50	52.60	53.50
Executive Male	Percentage	-	34.30	47.40	34.80
Executive Female	Percentage	-	65.70	52.60	65.20

Internal assurance
External assurance
No assurance
(*)Restated

Bursa Malaysia Sustainability Reporting Disclosures

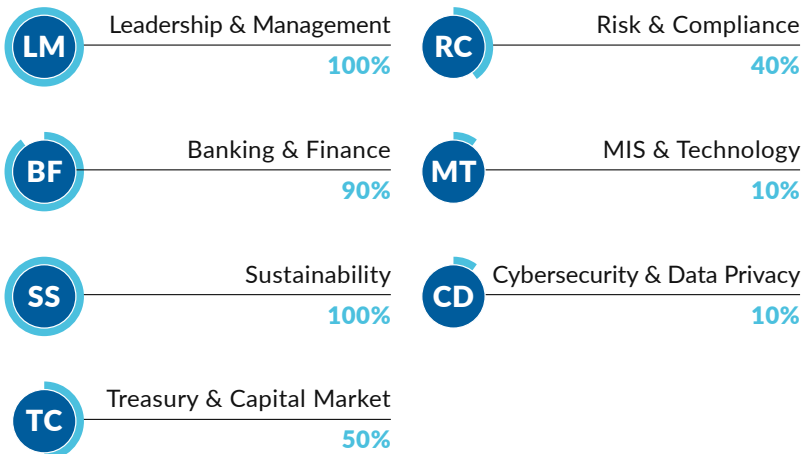
Indicator	Measurement Unit	2020	2021	2022	2023
Non-executive/Technical Staff Male	Percentage	-	35.40	35.30	34.20
Non-executive/Technical Staff Female	Percentage	-	64.60	64.70	65.80
General Workers Male	Percentage	-	88.90	88.00	88.00
General Workers Female	Percentage	-	11.10	12.00	12.00
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	-	70.00	70.00	70.00
Female	Percentage	-	30.00	30.00	30.00
Under 30	Percentage	-	0.00	0.00	0.00
Between 30-50	Percentage	-	0.00	0.00	0.00
Above 50	Percentage	-	100.00	100.00	100.00
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	-	41,616.00	40,758.00	38,631.00
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	-	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.26	0.40	0.44
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	255	120	197
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	-	221,157	103,851	135,263
Executive	Hours	-	351,508	122,365	152,493
Non-executive/Technical Staff	Hours	-	64,808	23,052	18,222
General Workers	Hours	-	2,364	384	776
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	4.90	4.70	3.50
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	-	569	696	575
Executive	Number	-	1,444	1,679	1,355
Non-executive/Technical Staff	Number	-	89	73	89
General Workers	Number	-	17	17	17
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0	0
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	91.00	93.00	91.00
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	-	8.90	36.50	11.70
Executive	Percentage	-	14.70	46.30	22.40
Non-executive/Technical Staff	Percentage	-	3.10	12.90	7.00
General Workers	Percentage	-	0.20	0.10	0.60
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	98.50	98.30	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	1	0	1



Our Board of Directors and Group Company Secretary



BOARD SKILLS & EXPERIENCES (%)



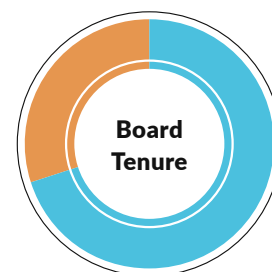
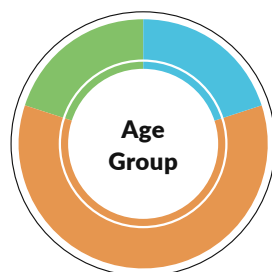
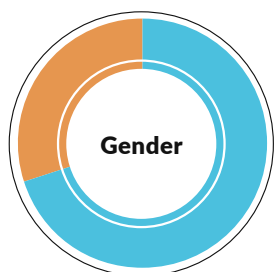
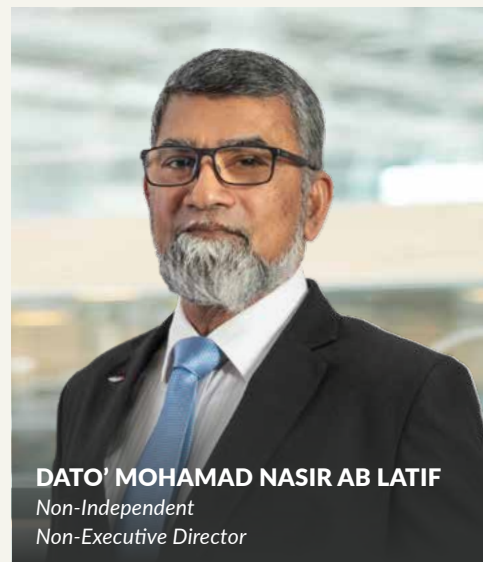
BOARD COMPOSITION



Key Features of Our Board:

- The Chairman is a Non-Independent Non-Executive Director.
- The positions of the Chairman and the Group Managing Director/Group CEO are held by different individuals.

Our Board of Directors and Group Company Secretary



NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN



Age
63

Male

Date of Appointment:
16 November 2020*

TAN SRI AHMAD BADRI MOHD ZAHIR



QUALIFICATIONS

- Bachelor of Land and Property Management, Universiti Teknologi MARA, Shah Alam, Selangor
- Master in Business Administration, University of Hull, United Kingdom

OTHER DIRECTORSHIP(S)

Listed Entities:

- Sime Darby Berhad

Public Companies:

- RHB Foundation (Chairman)

15/15

Board Meetings Attendance

SKILLS AND EXPERIENCE

Tan Sri Ahmad Badri Mohd Zahir 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 Board 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, among others.

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

 Chairman/Chairperson

 Member

 **BNRC** Board Nominating & Remuneration Committee

Profile of Our Board and Group Company Secretary

GROUP MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER

Age
56

Male

Date of Appointment:

1 April 2022

**MOHD
RASHID
MOHAMAD****QUALIFICATIONS**

- Bachelor of Accounting (Hons.), Universiti Teknologi MARA, Shah Alam, Selangor
- Master of Business Administration with Distinction, University of Wales, Cardiff, United Kingdom
- Chartered Banker, Asian Institute of Chartered Bankers
- Advanced Strategic Management Program, Institute for Management Development, Lausanne, Switzerland

OTHER DIRECTORSHIP(S)**Listed Entities:**

- Nil

Public Companies:

- Payments Network Malaysia Sdn Bhd (PayNet)

15/15**Board Meetings Attendance****SKILLS AND EXPERIENCE**

Encik Mohd Rashid Mohamad had a 14-year stint in Bank Negara Malaysia in various capacities in the Banking Supervision/Examination and Investment Operations & Financial Markets departments.

He later transitioned to the corporate sector, joining ABN Amro NV Singapore and the Royal Bank of Scotland, Singapore where he gained valuable international banking exposure and managing large organisational units.

He returned to Malaysia in 2009 to join the Treasury team of AmBank Group before joining RHB Bank in 2014 as its Group Treasurer.

Encik Rashid served as the Chairman of the Investment Panel of Kumpulan Wang Amanah Pencen Inc. from 2019 to 2021. Currently, he is a Council Member of AICB, and is Chairman of the AICB Investment Committee. Prior to his appointment as Group Managing Director of RHB Bank Berhad, Encik Rashid was the Managing Director of Group Wholesale Banking.

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR



Age
79

Male

Date of Appointment:
20 November 2012

TAN SRI ONG LEONG HUAT @ WONG JOON HWA

BCC



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)
- OSK Ventures International Berhad (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)

15/15

Board Meetings Attendance


SKILLS AND EXPERIENCE

For over 17 years since 1969, Tan Sri Ong Leong Huat @ Wong Joo Hwa 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.

 Chairman/Chairperson

 Member

 **BNRC** Board Nominating & Remuneration Committee

Profile of Our Board and Group Company Secretary

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Age
68

Female

Date of Appointment:

1 July 2017

ONG AI LIN

BAC

BRC

QUALIFICATIONS

- Bachelor of Arts (Honours) in Economics, University of Leeds, United Kingdom
- Fellow 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

15/15**Board Meetings Attendance****SKILLS AND EXPERIENCE**

Ms. Ong Ai Lin began her career with Deloitte Haskins & Sells ("DH&S") in London in 1978, prior to joining PricewaterhouseCoopers ("PwC") Malaysia 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 of PwC Malaysia in 1993. She was the Business Continuity Management and Information Security Practice Leader for PwC Malaysia before her retirement in 2016.

In addition to financial audits, her experience encompasses governance risk and compliance, information security and data privacy, cybersecurity, technology risk and governance and business continuity management in the United Kingdom, Singapore, Indonesia, Thailand, Vietnam, Philippines, Sri Lanka, Cambodia and Malaysia.

Ms. Ong's 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. She has also served as the past President of the Information Systems Audit and Control Association ("ISACA")-Malaysia Chapter.

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR



Age
65

Male

Date of Appointment:
16 March 2020

DATO' MOHAMAD NASIR AB LATIF

BNRC

BSC



QUALIFICATIONS

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

OTHER DIRECTORSHIP(S)

Listed Entities:

- Malaysian Resources Corporation Berhad (Chairman)
- Yinson Holdings Berhad
- United Plantations Berhad

Public Companies:

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


15/15

Board Meetings Attendance


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) and a Member of the Investment Panel of Langkawi Development Authority.

 Chairman/Chairperson

 Member

 **BNRC** Board Nominating & Remuneration Committee

Profile of Our Board and Group Company Secretary

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age
63

Male

BCC

BRC

Date of Appointment:

28 November 2018

**LIM
CHENG TECK****QUALIFICATIONS**

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

OTHER DIRECTORSHIP(S)**Listed Entities:**

- Nil

Public Companies:

- Nil

14/15**Board Meetings Attendance****SKILLS AND EXPERIENCE**

Mr. 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 Chairman 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 Minterest Holdings Pte Ltd and Bright Vision Community Hospital, Singapore and SingHealth Funds. He is also the Chairman of the Board Committee, SingHealth Funds - SingHealth Community Hospitals.

INDEPENDENT NON-EXECUTIVE DIRECTOR



Age
64

Male

Date of Appointment:
17 August 2020

DONALD JOSHUA JAGANATHAN

BRC

BAC

BSC

BNRC



QUALIFICATIONS

- Bachelor of Accounting (Hons), University of Malaya
- Master in Business Administration, Cranfield School of Management, United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants
- Fellow Chartered Banker, 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

15/15

Board Meetings Attendance

SKILLS AND EXPERIENCE


Mr. Donald Joshua Jaganathan 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.

Mr. Donald has had a fulfilling career with Bank Negara Malaysia 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 include 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.

 Chairman/Chairperson

 Member

 **BNRC** Board Nominating & Remuneration Committee

Profile of Our Board and Group Company Secretary

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age
62

Male

Date of Appointment:

15 September 2020

**DATUK IAIN
JOHN LO**

BSC

BNRC

BAC

QUALIFICATIONS

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

OTHER DIRECTORSHIP(S)**Listed Entities:**

- CelcomDigi Berhad
(formerly known as Digi.com Berhad)

Public Companies:

- RHB Investment Bank Berhad

15/15**Board Meetings Attendance****SKILLS AND EXPERIENCE**

Datuk Iain John Lo currently serves as a member of the Board of Guardians of the Sarawak State Sovereign Wealth Future Fund and Chair of the Risk Committee. He also serves as an Independent Non-Executive Director of CelcomDigi Berhad and Chair of the Board Nomination and Remuneration Committee.

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 until 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 include 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.

INDEPENDENT NON-EXECUTIVE DIRECTOR



Age
63

Female

Date of Appointment:

1 June 2023

HIJAH ARIFAKH OTHMAN

BNRC

BSC



QUALIFICATIONS

- Bachelor of Science Degree in Mathematics and Computer Science, City University of London, United Kingdom

OTHER DIRECTORSHIP(S)

Listed Entities:

- Nil

Public Companies:

- RHB Investment Bank Berhad

8/8

Board Meetings Attendance

SKILLS AND EXPERIENCE

Puan Hijah Arifakh Othman is a highly experienced banker of over 38 years, specialising in Treasury and Balance Sheet Management. She began her career with Bank Negara Malaysia in 1984 and she was the pioneer member in setting up Danamodal Nasional Berhad ("Danamodal") in August 1998, a recapitalisation agency wholly owned subsidiary of BNM during the 1998 financial crisis and she has set-up Danamodal Treasury Division as well as formulated policies on the investment and credit limits in line with the Danamodal's objective in ensuring safety and liquidity of its portfolio.


She has held various senior positions in established banking groups including the position of Director of Asian Fixed Income Malaysia, Standard Chartered Bank Berhad, Executive Vice President/Head of Group Treasury Business of Malayan Banking Berhad and Managing Director/Chief Executive Officer of Hong Leong Islamic Bank Berhad.

Puan Hijah was previously a Board Member of Takaful Ikhlas General Berhad, Export-Import Bank of Malaysia Berhad, MNRB Holdings Berhad and KAF Investment Bank Berhad.

She is presently a Member of Listing Committee of Bursa Malaysia Berhad.

 Chairman/Chairperson

 Member

 **BNRC** Board Nominating & Remuneration Committee

Profile of Our Board and Group Company Secretary

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age
60

Female

BAC

Date of Appointment:

15 March 2024

**NADZIRAH
ABD RASHID****QUALIFICATIONS**

- Bachelor of Arts in Accountancy, University of South Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Fellow of CPA Australia

OTHER DIRECTORSHIP(S)**Listed Entities:**

- Nil

Public Companies:

- Nil

SKILLS AND EXPERIENCE

With over 35 years of professional experience in the securities market and banking industry, Puan Nadzirah Abd Rashid has extensive exposure to regulatory environments. She began her career in the Accountant General's Department before joining Bank Negara Malaysia as a bank examiner. Subsequently, she moved on to head the finance function of a financial institution. In 1999, she joined Bursa Malaysia Group, where she held various positions in the Finance and Administration Division. Her last position was as the Chief Financial Officer of Bursa Malaysia Berhad, a position that she held for seven (7) years until early 2014.

Puan Nadzirah previously served on the Boards of Credit Guarantee Corporation Malaysia Berhad, CIMB Bank Berhad and CIMB Investment Bank Berhad.

GROUP COMPANY SECRETARY



Age
56

Male

Date of Appointment:
23 August 2004

AZMAN SHAH MD YAMAN



QUALIFICATIONS

- LLB (Hons.), International Islamic University Malaysia
- Qualified Advocate & Solicitor of the High Courts of Malaya
- Licensed Company Secretary (LS 0006901)
- Affiliate of the Malaysian Institute of Chartered Secretaries & Administrators
- Certified Integrity Officer accredited by the Malaysia Anti-Corruption Academy
- Attended the Senior Leadership Development Programme, INSEAD

SKILLS AND EXPERIENCE

Encik Azman Shah Md Yaman leads the Group's Legal, Secretariat & Governance functions. He is accountable 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-bribery and 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, Encik Azman Shah practised as an Advocate and Solicitor after being admitted to the Malaysian Bar in 1991 and was involved in both corporate and litigation works before joining Kuala Lumpur Stock Exchange [now known as Bursa Malaysia Securities Berhad ("Bursa Malaysia")] in 1993. In Bursa Malaysia, he held various positions for more than 10 years and his responsibility ranged from legal advisory on clearing, settlement & depository, compliance to corporate and secretarial services. His last position was Head, Group Corporate Secretarial & Compliance/ Group Company Secretary. He also held directorships in various Bursa Malaysia's subsidiaries.

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, who is deemed a major shareholder 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 (5) years nor have had any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year under review.

Profile of The Chairmen of The Key Operating Companies

DATO' MOHAMAD NASIR AB LATIF

Chairman of RHB Islamic Bank Berhad
Non-Independent Non-Executive Chairman



Male

Age
65**Date of Appointment:**

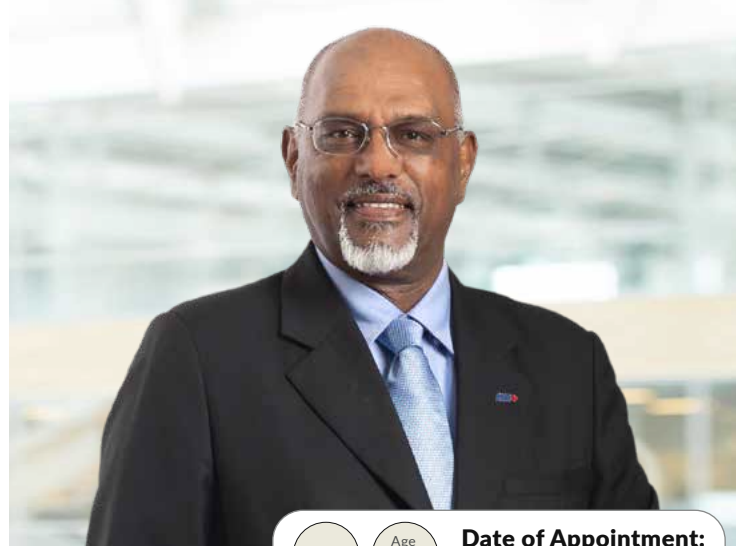
2 May 2020*

▲ For more details, go to page 138.

* Subsequently appointed as a Non-Independent Non-Executive Chairman of RHB Islamic Bank Berhad on 28 May 2020.

JAHANATH MUTHUSAMY

Chairman of RHB Insurance Berhad
Independent Non-Executive Chairman



Male

Age
68**Date of Appointment:**

1 November 2016*

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

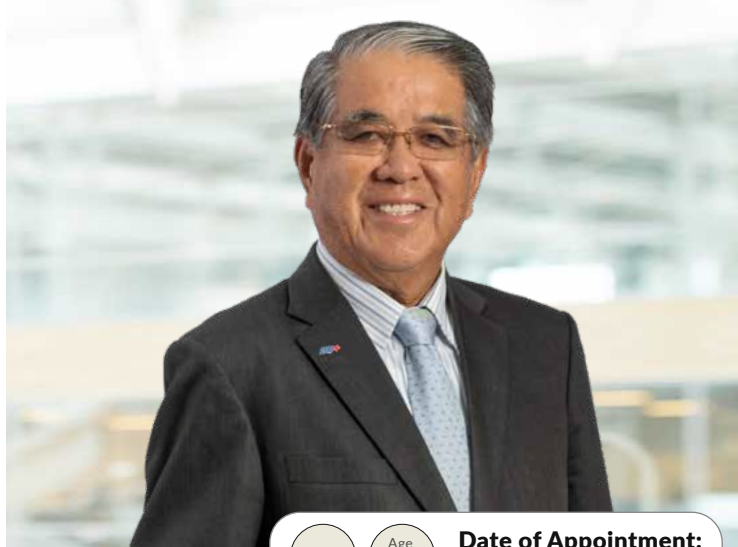
SKILLS AND EXPERIENCE

Mr. Jahanath Muthusamy 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, Mr. 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.

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Chairman of RHB Investment Bank Berhad
Non-Independent Non-Executive Chairman



Male

Age
79**Date of Appointment:**

20 November 2012*

▲ For more details, go to page 136.

* Subsequently appointed as a Non-Independent Non-Executive Chairman of RHB Investment Bank Berhad on 22 April 2021.

CHIN YOONG KHEONG

Chairman of RHB Asset Management Sdn Bhd
Independent Non-Executive Chairman



Male

Age
66

Date of Appointment:

7 April 2015*

BOARD COMMITTEE MEMBERSHIP(S)

- Board Risk Committee of RHB Bank Berhad
- Board Risk Committee of RHB Investment Bank Berhad (Chairman)
- Investment Committee of RHB Asset Management Sdn Bhd
- Audit Committee of RHB Asset Management Sdn Bhd
- Investment Committee of RHB Islamic International Asset Management Berhad
- Investment Committee of RHB Asset Management Pte Ltd (Chairman)
- Board Risk Committee of RHB Bank (Cambodia) PLC (Chairman)
- Board Audit Committee of RHB Bank (Cambodia) PLC
- Board Remuneration and Nomination Committee of RHB Bank (Cambodia) PLC
- Board Credit Committee of RHB Bank (Cambodia) PLC (Chairman)
- Board Risk Committee of RHB Securities (Cambodia) PLC (Chairman)
- Board Audit Committee of RHB Securities (Cambodia) PLC
- Board Nominating and Remuneration (Governance) Committee of RHB Bank Lao Sole Co., Ltd (Chairman)
- Board Audit Committee of RHB Bank Lao Sole Co., Ltd
- Board Risk Committee of RHB Bank Lao Sole Co., Ltd

QUALIFICATIONS

- Bachelor of Arts (Hons.) in Economics, University of Leeds
- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

OTHER DIRECTORSHIP(S)

Listed Entities:

- Ayer Holdings Berhad

Non-Listed Companies:

- RHB Investment Bank Berhad (Malaysia)
- RHB Bank (Cambodia) PLC
- RHB Securities (Cambodia) PLC
- RHB Bank Lao Sole Co., Ltd

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

Mr. Chin Yoong Kheong has retired as a partner of KPMG, one of the leading accounting firms on 31 December 2013, after having served the firm for more than 34 years in the United Kingdom, Vietnam and Malaysia. His vast experience covers business solutions in areas such as strategy, human resources, performance improvement to public and infrastructure sector, consumer and industrial markets, and financial services industry. Throughout his long career with KPMG, his experience in the audit function before specialising in taxation for 14 years. He was responsible for setting up the KPMG practice in Vietnam and subsequently headed KPMG's consulting practice for more than 7 years.

* Subsequently appointed as an Independent Non-Executive Chairman of RHB Asset Management Sdn Bhd on 22 May 2023.

Profile of The Shariah Committee

AZIZI CHE SEMAN (Chairman)



Male

Age
52

Date of Appointment:

1 April 2023

PRESENT MEMBERSHIP OF SHARIAH COMMITTEES IN OTHER INSTITUTIONS

- Agrobank (Chairman)
- Sun Life Malaysia Takaful Berhad
- Shariah Advisory Committee of the Association of Islamic Banking Institutions Malaysia (Chairman)

QUALIFICATIONS

- Bachelor of Shariah, Universiti Malaya
- Master in Economics from the International Islamic University of Malaysia
- Certified Shariah Advisor from the Association of Shariah Advisors in Islamic Finance (ASAS)

AREAS OF EXPERTISE

- Islamic Banking and Finance
- Islamic Capital Market
- Islamic Economics
- Usul Fiqh and Fiqh Muamalat

EXPERIENCE & ACHIEVEMENTS

- Currently a senior lecturer at the Islamic Studies Academy, Universiti Malaya.
- Previously served as the chairman of Bank Muamalat Malaysia Berhad and a Shariah advisor for the Islamic Banking and Finance Institute Malaysia (IBFIM) and Amara Investment Management Sdn. Bhd.
- Held various positions in ASAS including as a member in the Professional Development Committee and ASAS Examination Board.
- Former Member of the Panel of Evaluators, National Accreditation Board which is responsible for the evaluation and recommendation of accreditation of programmes offered by Higher Education Providers.
- Contributed to numerous publications including journal articles, book chapters and articles in proceedings. He has presented research papers in numerous conferences and seminars concerning Islamic Finance and Shariah.

Shariah Committee
Meetings Attendance

8/8

DR. ABDUL RAHMAN A. SHUKOR



Male

Age
45Date of Appointment:
1 May 2022

PRESENT MEMBERSHIP OF SHARIAH COMMITTEES IN OTHER INSTITUTIONS

- Perbadanan Tabung Pembangunan Kemahiran (PTPK)
- MY EG Islamic Finance Services Sdn. Bhd.

QUALIFICATIONS

- Bachelor of Shariah Islamiah, Al-Azhar University
- Master of Shariah and Economy, Universiti Malaya
- PhD in Shariah and Economy, Universiti Malaya

AREAS OF EXPERTISE

- Islamic Banking & Finance
- Takaful

EXPERIENCE & ACHIEVEMENTS

- Previously a Shariah committee member of OCBC Al-Amin Berhad, KAF Investment Bank Berhad, and KAF Equities Sdn. Bhd.
- A registered Shariah Adviser with the Securities Commission Malaysia.
- Apart from his industry experience, Dr. Abdul Rahman also has exposure in the academic field, having been involved in tutoring at the Faculty of Finance and Banking, Universiti Utara Malaysia and presently teaching Usul Fiqh & Fiqh Maxim for postgraduate students at the Faculty of Economy and Management, Universiti Kebangsaan Malaysia as a part-time lecturer.
- Published numerous journal articles and contributed chapters in books and proceedings, as well as presenting research papers in numerous conferences and seminars concerning Islamic Finance and Shariah.
- Has previously been attached with several Islamic financial institutions for various roles.

Shariah Committee
Meetings Attendance

10/11

SHABNAM MOHAMAD MOKHTAR



Female

Age
46Date of Appointment:
1 May 2015

PRESENT MEMBERSHIP OF SHARIAH COMMITTEES IN OTHER INSTITUTIONS

- AIA Public Takaful Berhad

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
- Certified Shariah Practitioner ("CSP"), Association of Shariah Advisors in Islamic Finance (ASAS)

AREAS OF EXPERTISE

- Finance & Islamic Finance
- Accounting & Islamic Accounting
- Islamic Capital Market & Derivatives
- Sustainability & Impact Investing

EXPERIENCE & ACHIEVEMENTS

- Presently the Managing Director of SHAPE Knowledge Services, an Islamic finance consulting firm.
- A member of the Values and Ethics Committee of Alibra, a fintech company based in the UK.
- Appointed as the Securities Commission-Oxford Centre of Islamic Studies Visiting Fellow in Islamic Finance for 2021/2022.
- 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.

Shariah Committee
Meetings Attendance

11/11

Profile of The Shariah Committee

DR. MD. NURDIN NGADIMON



Male

Age

62

Date of Appointment:

1 May 2021

PRESENT MEMBERSHIP OF SHARIAH COMMITTEES IN OTHER INSTITUTIONS

- Sun Life Malaysia Takaful Berhad

QUALIFICATIONS

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

Shariah Committee
Meetings Attendance

11/11

MOHD ZUBIR AWANG



Male

Age

41

Date of Appointment:

1 February 2023

PRESENT MEMBERSHIP OF SHARIAH COMMITTEES IN OTHER INSTITUTIONS

- Nil

QUALIFICATIONS

- Bachelor of Art (Hons) in Islamic Studies, University of Wales, Lampeter, United Kingdom
- Master of Arts in Islamic Banking, Finance and Management, Loughborough University, United Kingdom

AREAS OF EXPERTISE

- Islamic Banking & Finance
- Usul Fiqh & Fiqh Muamalat

EXPERIENCE & ACHIEVEMENTS

- Previously served as the chairman of the Shariah Committee of KAF Investment Bank from 2014 to 2022.
- A registered Shariah adviser under the Securities Commission Malaysia and an EXCO member of the Association of Shariah Advisors in Islamic Finance (ASAS).
- A member of the working group of the Curriculum Review Committee (CRC) of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- En. Mohd Zubir began his career journey at the international level in halal industry in the United Kingdom when he served as a Shariah Inspection Officer of Halal Monitoring Committee, Leicester. Subsequently, he ventured into the Islamic financial industry as a Shariah Executive at RHB Islamic Bank. He is currently an Executive at Petronas Global HR Partners HC.
- In the academic world, he was previously a lecturer at the International Islamic University College Selangor and concurrently he was a part-timer at Islamic Science University of Malaysia, teaching in various subjects such as Islamic Commercial Law, Islamic Legal Maxim, Islamic Jurisprudence, and Introduction to Fiqh, Fatwa and Islamic Economics.

Shariah Committee
Meetings Attendance

10/10



From Left to Right:

1. **Dato' Fad'l Mohamed**
Managing Director, Group Wholesale Banking
2. **Dato' Adissadikin Ali**
Managing Director, RHB Islamic Bank
3. **Ryan Teoh Jun Fatt**
Group Chief Strategy & Innovation Officer
4. **Mohd Rashid Mohamad**
Group Managing Director/Group Chief Executive Officer
5. **Jeffrey Ng Eow Oo**
Managing Director, Group Community Banking
6. **Dr Chong Han Hwee**
Group Chief Risk Officer
7. **Wan Mariah Abu Hassan**
Group Chief People Officer
8. **Azman Shah Md Yaman**
Group Company Secretary
9. **Wendy Ting Wei Ling**
Managing Director, Group International Business & Head, Group Corporate Banking

Group Senior Management

**10. Phuah Shok Cheng**

Acting Group Chief Financial Officer

11. Ganesh SabaratnamManaging Director/Chief Executive Officer,
RHB Investment Bank**12. Fazlina Mohamed Ghazali**

Group Chief Compliance Officer

13. Wong Kwang Leh

Group Chief Technology Officer

14. Alex Tan Aun Aun

Group Chief Internal Auditor

15. David Chong Ming Liang

Group Chief Operations Officer

16. Norazzah SulaimanGroup Chief Sustainability & Communications
Officer**17. Oliver Tan Chuan Li**

Managing Director, RHB Insurance Berhad

Profile of Group Senior Management

MOHD RASHID MOHAMAD

Group Managing Director/Group Chief Executive Officer,
RHB Banking Group



Male

Age
56

Date of Appointment:

1 April 2022

RESPONSIBILITIES

- Set the Group's vision and strategic direction, while working closely with the Board of Directors
- Define and shape the Group's corporate culture and brand values
- Lead the Group in managing its businesses and operations to achieve targets and goals
- Maximise the Group's return on capital invested

EXPERIENCE

- Began 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 and Malaysia such as ABN Amro, the Royal Bank of Scotland and AmBank Group

QUALIFICATIONS

- Bachelor of Accounting (Hons), Universiti Teknologi MARA, Shah Alam, Selangor
- Master of Business Administration with Distinction, University of Wales, Cardiff, United Kingdom
- Chartered Banker – Asian Institute of Chartered Bankers
- Advanced Strategic Management Program, Institute for Management Development, Lausanne, Switzerland

APPOINTMENTS

- Board Member, Payments Network Malaysia Sdn Bhd (PayNet)

EXTERNAL MEMBERSHIPS

- Chairman of Asian Institute of Chartered Bankers Investment Committee
- Council Member of the Association of Banks, Malaysia
- Council Member of Asian Institute of Chartered Bankers
- Chartered Accountant – Malaysian Institute of Accountants

DATO' FAD'L MOHAMED

Managing Director, Group Wholesale Banking



Male

Age
57

Date of Appointment:

1 March 2024

RESPONSIBILITIES

- Lead and drive the development and implementation of business strategies for Group Investment Banking, Group Corporate Banking, Group Treasury & Global Markets, Group Asset Management, Group Transaction Banking, Commercial Banking and oversee the Group's Economics function
- Navigate Group Wholesale Banking through the increasingly complex financial landscape and enhance value for our clients

EXPERIENCE

- Over 20 years experience in capital markets and investment banking
- Started career as a lawyer at Messrs Rashid & Lee in 1991 before joining the Securities Commission in 1993 and thereafter moved to Dresdner Kleinwort Benson, an investment banking firm. From 2000 to 2003, he served as Joint Chief Operating Officer of a public listed company to assist in a corporate restructuring exercise
- Founded and led Maestro Capital Sdn Bhd, a licensed corporate finance adviser advising on mergers and acquisitions, capital raising and IPO from 2004 to 2015
- Prior to joining RHB, spent nine years with Maybank Investment Bank and was the Chief Executive Officer holding a pivotal role in driving its investment banking business in Malaysia.

QUALIFICATIONS

- Bachelor of Law (Honours), University of London, United Kingdom
- Certificate of Legal Practice, Legal Qualifying Board, Malaysia
- Certified Diploma in Accounting & Finance, The Chartered Association of Certified Accountants
- Master of Business Administration, Imperial College London, United Kingdom
- Fellow Chartered Banker, Asian Institute of Chartered Bankers
- Certified Expert in Sustainable Finance, Frankfurt School of Finance & Management

EXTERNAL MEMBERSHIPS

- Board Member, Financial Industry Collective Outreach
- Deputy President, Kuala Lumpur Business Club

Profile of Group Senior Management

JEFFREY NG EOW OO

Managing Director, Community Banking



Male

Age
50**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 Malaysia, Singapore and Cambodia
- Meet the Group's aspirations to be the best community bank by fostering deeper connections, enhancing digital capabilities and championing sustainable practices for both individuals and SME customers
- Responsible to ensure the Bank remains at the forefront in terms of growth, profitability and market share by leveraging on the strength of community banking channels and digitalisation of customer journeys
- Delivering TWP24 strategic thrust in targeted segments

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 segment
- Spent 8 years with Standard Chartered Malaysia, where 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

- Advance Diploma in Finance – Tunku Abdul Rahman College
- Chartered Accountant – Malaysian Institute of Accountant
- Chartered Certified Accountant – The Association of Chartered Certified Accountant of the United Kingdom
- Chartered Banker – Asian Institute of Chartered Bankers

EXTERNAL MEMBERSHIPS

- Malaysian Institute of Accountants
- Associate of Chartered Certified Accountants of the United Kingdom
- Asian Institute of Chartered Bankers

WENDY TING WEI LINGManaging Director,
Group International Business & Group Corporate Banking

Female

Age
53**Date of Appointment:**

16 May 2022

RESPONSIBILITIES

- To give shape and execute business strategies for Group International and Group Corporate Banking Business in addition to overseeing and leading regional business and operations in RHB Singapore, Cambodia, Thailand, Laos and Brunei apart from corporate lending business in Malaysia

EXPERIENCE

- More than 20 years of experience as a finance professional with exposure in trade finance, capital markets, financial services, investment banking and corporate banking. As a Maybank scholar, had the opportunity to rotate amongst other business groups
- 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
- Non-Independent Non-Executive Director, RHB Bank Lao Sole Co., Ltd
- Non-Independent Non-Executive Director, RHB Bank (Cambodia) PLC

EXTERNAL MEMBERSHIPS

- Association of Banks in Malaysia
- Asian Institute of Chartered Bankers
- Asia Pacific Loan Market Association

DATO' ADISSADIKIN ALI

Managing Director, RHB Islamic Bank



Male

Age
53

Date of Appointment:

1 August 2016

RESPONSIBILITIES

- Lead, manage and grow Islamic Banking and Shariah Business within RHB Banking Group

EXPERIENCE

- More than 20 years of experience in conventional and Shariah Banking, including leadership roles in corporate strategy and special projects planning
- Prior to joining RHB, he held various leadership roles, including Chief Executive Officer of Alkhair International Islamic Bank Berhad; President and Chief Executive Officer at Export-Import (EXIM) Bank Malaysia Berhad as well as Assistant General Manager, Managing Director's Office of Bank Islam Malaysia Berhad

QUALIFICATIONS

- Diploma in Investment Analysis, Universiti Teknologi MARA, Malaysia
- Bachelor's Degree in Business (Banking and Finance), Monash University, Australia
- Master of Business Administration (Finance), University of Malaya
- Advanced Management Program, Harvard Business School, Boston, USA
- Chartered Banker, Asian Institute of Chartered Bankers
- Chartered Banker, Chartered Banker Institute, United Kingdom
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals, Malaysia

EXTERNAL MEMBERSHIPS

- Board of Islamic Banking & Finance Institute Malaysia
- Board of Industry Advisors, Faculty of Business and Accountancy, University of Malaya
- Council Member, Association of Islamic Banking Institutions Malaysia

OLIVER TAN CHUAN LI

Managing Director, RHB Insurance



Male

Age
57

Date of Appointment:

21 February 2022

RESPONSIBILITIES

- Lead, manage and grow Insurance business to ensure alignment with the Group's strategic aspirations

EXPERIENCE

- More than 30 years of experience within the insurance industry locally and regionally
- Held various leadership roles, including Chief Executive Officer of KWI Insurance Thailand, Chief Executive Officer of MPI Generali Insurans Berhad as well as Chief Executive Officer of Swiss Reinsurance Company Limited in Kuala Lumpur
- Managed businesses in Malaysia, Vietnam, Cambodia, Laos, Brunei and Myanmar for Swiss Reinsurance Company Ltd
- Served in various local and regional management positions in AIU Insurance Company Limited in Shanghai, AXA General Insurance Hong Kong Limited and ACE Synergy Insurance Berhad Malaysia

QUALIFICATIONS

- Bachelor of Laws, Staffordshire Polytechnic, United Kingdom
- Certificate in Legal Practice, University of Malaya
- Fellow of Malaysia Insurance Institute since 2017

Profile of Group Senior Management

PHUAH SHOK CHENG

Acting Group Chief Financial Officer



Female

Age
46**Date of Appointment:**

1 January 2024

RESPONSIBILITIES

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

EXPERIENCE

- More than 20 years of experience in the areas of accounting, finance, audit and consulting, domestically and globally
- Prior to this appointment, was the Head of Group Capital and Balance Sheet Management at RHB Banking Group
- She also served in Maybank Group in various finance roles and in different locations including Malaysia, Singapore and Indonesia
- Prior to that, she held various audit and consulting positions in Arthur Andersen & Co, Deloitte and Ernst & Young in Malaysia and London

QUALIFICATIONS

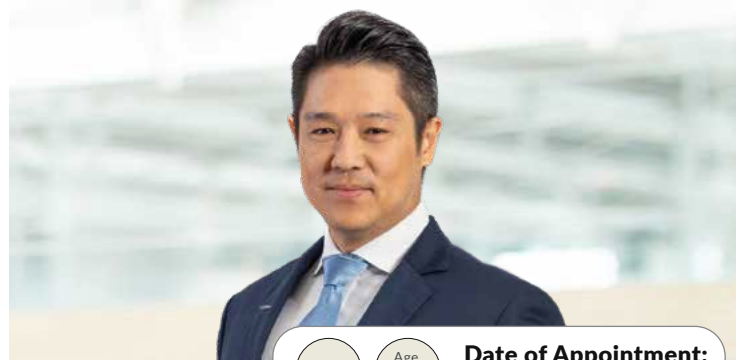
- Bachelor of Commerce, Lincoln University, New Zealand
- Certified Chartered Banker, Asian Institute of Chartered Bankers
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants

EXTERNAL MEMBERSHIPS

- Asian Institute of Chartered Bankers
- Malaysian Institute of Certified Public Accountants
- Malaysian Institute of Accountants

DR CHONG HAN HWEE

Group Chief Risk Officer



Male

Age
48**Date of Appointment:**

28 September 2020

RESPONSIBILITIES

- Manage Group-wide Risk and Credit Management in alignment with Group Risk Appetite
- Drive Strategy on Climate Risk
 - (i) Manage pathway to Net-Zero commitment
 - (ii) Identify sectoral opportunities
 - (iii) Embed climate considerations into credit underwriting
- Drive risk strategy for the Investment, Islamic and Regional Banking, as well as Insurance businesses
- Drive timely and pre-emptive emerging risks management
- Report material risks that may impact the Group's business and reputation
- Oversee and manage regional risks across RHB's regional footprint and align in country practices to the Group
- Transform risk management to align with the control needs of the digital era, addressing Strategic, Performance, Analytics, Culture and Talent aspects

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

RYAN TEOH JUN FATT

Group Chief Strategy & Innovation Officer



Male

Age
41

Date of Appointment:

1 November 2022

RESPONSIBILITIES

- Responsible for identifying annual business priorities, executing strategic Group-wide initiatives, charting and maintaining the course of the Group's long term strategy (TWP24), and pursuing strategic partnerships/joint-ventures/M&A for inorganic growth such as the Group's Digital Bank in partnership with Boost
- Beyond the in-house strategy team, Ryan also leads the Group's Digital, Analytics, and Innovation teams to drive an uptick in analytics/AI adoption as well as innovative Digital value propositions

EXPERIENCE

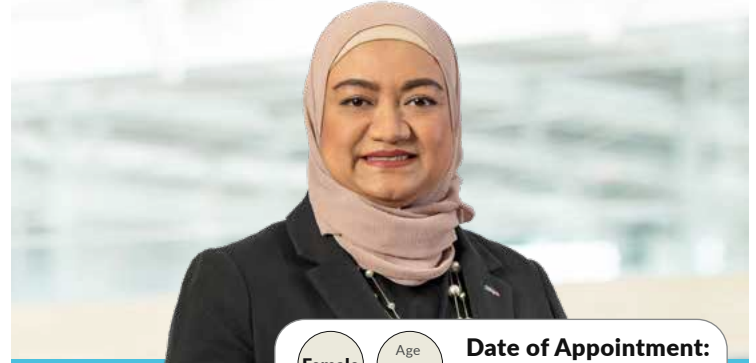
- More than 15 years of management consulting experience helping companies across Southeast Asia to develop growth strategies, pursue new digital business opportunities, unlock value via customer analytics, and build future-ready workforces
- Prior to joining RHB, Ryan was a Director at Strategy& (the global management consulting firm formerly known as Booz & Company, acquired by PwC to form its global strategy consulting business)

QUALIFICATIONS

- Bachelor of Science (1st Class Hons) in Computing from Staffordshire University, United Kingdom
- Master in Business Administration from INSEAD

WAN MARIAH ABU HASSAN

Group Chief People Officer



Female

Age
50

Date of Appointment:

1 April 2023

RESPONSIBILITIES

- Responsible for the formulation and enhancement of human capital policies and practices to build an engaged workforce and foster a high performance culture
- Lead the development and implementation of people strategies and key initiatives that effectively support the Group's business plan and strategic direction
- Elevate the internal HR capability as a strategic business partner, overseeing all HR areas and functions across the employee lifecycle, both locally and regionally
- Drive the transformational efforts in optimising HR operations, technology and processes to increase human capital productivity and provide a seamless employee experience
- Spearhead Diversity, Equity and Inclusion (DEI) strategies to promote and foster an inclusive culture to ensure fair and equitable employment practices

EXPERIENCE

- With over two decades of comprehensive Human Resources expertise spanning diverse industries including FMCG, retail, and banking, the collective experience adds significant value to the group
- Before assuming the current role at RHB, served as the HR Director for Transformation and Enabling Functions at Coca-Cola BIG. Additionally, held the position of Head of Human Capital at Bank Rakyat. In both roles, played a pivotal role in steering the change and adoption strategy, along with spearheading strategic people initiatives

QUALIFICATIONS

- Diploma in HR Management - Malaysian Institute of Human Resources Management
- Master of Business Administration from the University of West of Scotland, United Kingdom

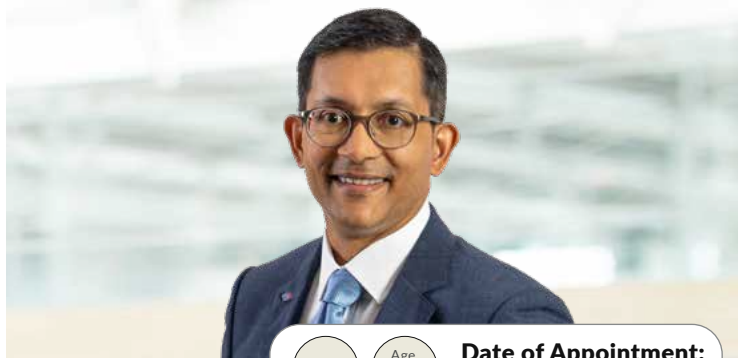
EXTERNAL MEMBERSHIPS

- Malaysian Institute of Human Resource Management

Profile of Group Senior Management

GANESH SABARATNAM

Managing Director/Chief Executive Officer,
RHB Investment Bank & Head, Group Investment Banking



Male

Age
56**Date of Appointment:**

1 July 2021

RESPONSIBILITIES

- Lead, build and drive the overall growth and profitability of Group Investment Banking (GIB) in Malaysia and Southeast Asia (SEA) in line with the Group's strategic aspirations
- 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 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/Derivatives Trading Global Markets, Deutsche Bank Malaysia
- Began his career in banking with Bank of America London. 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

- B.Sc Joint Honours in Engineering Production and Economics, University of Birmingham, United Kingdom
- M.Sc Finance in Financial Economics and Capital Markets, University of London, United Kingdom

EXTERNAL MEMBERSHIPS

- Council Member of Malaysian Investment Banking Association

DAVID CHONG MING LIANG

Group Chief Operations Officer



Male

Age
56**Date of Appointment:**

2 February 2021

RESPONSIBILITIES

- Oversee the overall RHB Banking Group's operations in Malaysia as well as overseas to achieve service and operational excellence, efficient and effective risk and compliance management, continued improvement and optimisation across the Group's operation functions including credit operations, treasury operations, banking and payment operations, AML operations, investment banking and asset management operations, as well as the call centre and property services.
- Provides leadership to drive Group-wide customer experience and operational excellence strategy and programmes, including robotic process automation and AI enabled operations.

EXPERIENCE

- More than 25 years of experience in various consulting organisations and financial services institutions, in both Malaysia and ASEAN
- Has covered diversified roles in business and digital transformation, programme management, strategic planning, analytics and Customer Relationship Management (CRM), as well as business leadership, product management and marketing roles
- Prior to the current role, was the Group Chief Digital Officer of RHB Banking Group

QUALIFICATIONS

- Chartered Certified Accountant, United Kingdom
- Master of Business Administration, Strathclyde University, United Kingdom

APPOINTMENTS

- Director, Financial Park Labuan Sdn Bhd

NORAZZAH SULAIMAN

Group Chief Sustainability & Communications Officer



Female

Age
57

Date of Appointment:

27 July 2017

RESPONSIBILITIES

- Spearhead the strategic implementation of RHB's sustainability and climate strategy across all facets of the Group's business and operations
- Drive initiatives that integrate sustainable development goals into the Group's corporate strategy, fostering an environment of transparency and accountability
- Elevate sustainability and climate-related disclosures, to ensure alignment with international best practices and regulatory standards
- Drive positive social impact through the Group's community engagement and empowerment initiatives, with a particular focus on uplifting the underprivileged and youth
- Define and lead the Group's strategic communications strategy, encompassing media relations, brand and reputation management, stakeholder engagement and crisis communications, both domestically and regionally

EXPERIENCE

- More than 30 years of experience in various senior leadership positions in the financial services sector, spanning legal advisory, governance, compliance, human capital management, marketing, strategic communications and sustainability management

QUALIFICATIONS

- Bachelor of Laws with Honours, University of Warwick, United Kingdom
- Senior Leadership Development Programme, INSEAD

APPOINTMENTS

- Chief Executive Officer, RHB Foundation
- Board of Trustees, RHB – UKM Endowment Fund

EXTERNAL MEMBERSHIPS

- Member, ESG Committee, Association of Banks in Malaysia
- Member, Joint Committee on Climate Change ("JC3")

WONG KWANG LEH

Group Chief Technology Officer



Male

Age
53

Date of Appointment:

10 October 2022

RESPONSIBILITIES

- Drive the Group's technology transformation under the TWP24 programme, supporting the Group's growth trajectory
- Modernise RHB's IT capabilities and improve the Bank's overall competitiveness and service excellence

EXPERIENCE

- 28 years of experience in IT that includes core banking integration, IT strategy and planning, enterprise architecture, data and information management, IT security, technology risk management and IT governance
- Joined RHB in 2014 as the Head of IT Strategy and Enterprise Architecture and was subsequently appointed as the Head of Group Technology Services
- Prior to joining RHB, he spent 13 years with Accenture as a technology consultant delivering IT capabilities and advisory across various industries. He started his career as a software engineer

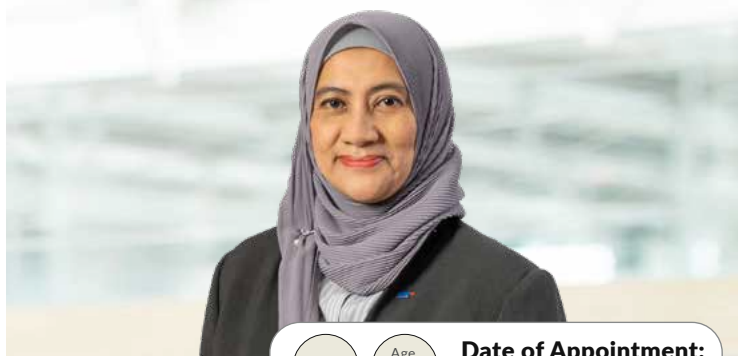
QUALIFICATIONS

- Bachelor of Engineering in Electronic Engineering from University of Southampton, United Kingdom

Profile of Group Senior Management

FAZLINA MOHAMED GHAZALLI

Group Chief Compliance Officer



Female

Age
54**Date of Appointment:**

1 June 2018

RESPONSIBILITIES

- Lead the formation and execution of Group-wide compliance strategic plans that enable RHB Banking Group to comply with regulatory requirements
- Establish compliance policies and framework, monitor the overall compliance risk of the Group and ensure timely identification and reporting of new/emerging compliance risk

EXPERIENCE

- More than 22 years of experience in the 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
- Chartered Banker, Asian Institute of Chartered Bankers

EXTERNAL MEMBERSHIPS

- Asian Institute of Chartered Bankers

ALEX TAN AUN AUN

Group Chief Internal Auditor



Male

Age
60**Date of Appointment:**

1 October 2017

RESPONSIBILITIES

- Lead the internal audit function of RHB Banking Group and report to the Board Audit Committee
- Provide the Board with independent assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes

EXPERIENCE

- More than 28 years of experience in various management positions in the banking sector
- Over 13 years of experience in internal auditing and appointed as the Group Chief Internal Auditor in October 2017

QUALIFICATIONS

- Bachelor of Commerce (Finance), University of Toronto, Canada
- Senior Leadership Development Programme, INSEAD

EXTERNAL MEMBERSHIPS

- Institute of Internal Auditors Malaysia
- Asian Institute of Chartered Bankers ("AICB")



Corporate Information



COMPANY SECRETARIES

Azman Shah Md Yaman
(LS 0006901)

Filza Zainal Abidin
(LS 0008413)

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

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

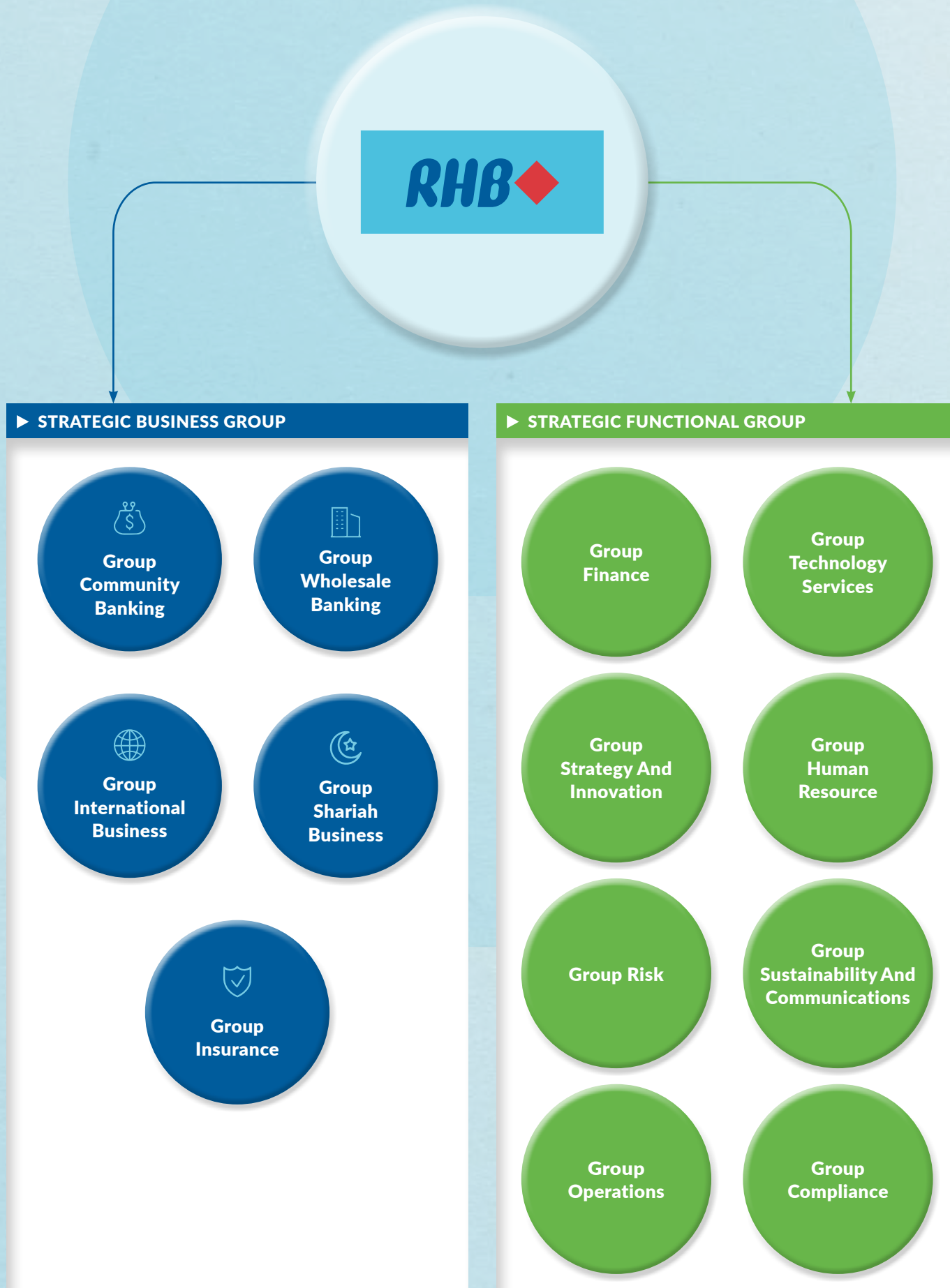
COMPANY REGISTRATION NUMBER

196501000373 (6171-M)

AUDITORS

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

Group Organisation Structure





Corporate Governance Overview Statement



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

OVERVIEW OF OUR CORPORATE GOVERNANCE

This section of our report should be read together with RHB's Corporate Governance Report which can be downloaded from the Group's corporate website at www.rhbgroup.com or the Bursa Malaysia announcement web page. This overview statement is guided by the principles and practices espoused by the Malaysian Code on Corporate Governance ("MCCG").

RESILIENCE THROUGH GOOD GOVERNANCE

The business landscape saw continuous development in digitalisation, innovation, tightening of regulations and rising competition in the financial sector. Although there were challenges, the Board was assured by the Group's sound governance framework. Hence, it remained resilient, forward-looking and focused on the Group's long-term strategy.

The Board continued working closely with the leadership team by focusing on the Group's fundamentals and principles. As the financial services industry evolves and new threats emerge, the Board firmly believes it is incumbent for the Group to remain at the forefront by being agile and risk-prudent in its approach towards the business conduct. During the year, the Board oversaw various matters, including financial performance, human capital governance, strategy, capital commitments, fraud management, regulatory compliance, sustainability initiatives and risk management.

A key point to highlight is the change to the Board composition, which underwent a refresh during the year as we bade farewell to two women Board members who retired to pursue their personal interests. In their place, we welcomed Hijah Arifakh Othman as an Independent Non-Executive Director. As part of our existing succession planning programme, her appointment ensured the Board composition remained diverse and met the evolving challenges within the financial domain. Although the Bank was short of one woman director to meet the minimum 30% required by the Malaysian Code on Corporate Governance ("MCCG") for the second half of 2023, a suitable candidate, namely Nadzirah Abd Rashid was identified and appointed to the Board on 15 March 2024. She brings to the Board over 35 years of professional experience in the securities market and banking industry.

On the management front, we witnessed changes to the Group's Chief Financial Officer and Managing Director ("MD") of Group

Wholesale Banking, both leaving office to pursue new challenges respectively. The change at the top has not disrupted the Group's operational resilience as we continue to leverage on existing succession planning in place, which has continuously proven effective and reliable. Phuah Shok Cheng was appointed as the acting Group Chief Financial Officer, as the Board assesses a permanent appointment to the position in the near future. We also welcomed Dato' Fad'l Mohamed as our new MD of Group Wholesale Banking. He brings strong knowledge and experience in capital markets and investment banking, with his career spanning over two decades in the industry.

The Board and the senior management continued to give unwavering support towards preserving RHB as a corruption-free organisation by presiding over RHB Banking Group's Integrity Day on 14 November 2023, held in conjunction with National Integrity Month. The Board's message of zero-tolerance over bribery and corruption was echoed across all employees and business partners as we strive to build an integrity-driven culture group-wide, in line with the aspiration of RHB's Organisational Anti-Corruption Plan ("OACP") and the National Anti-Corruption Strategies ("NACS") which is a continuation of the National Anti-Corruption Plan ("NACP") 2019-2023.

It is also important to note that 2024 will mark the final year for the Group's corporate strategy of **Together We Progress 2024** ("TWP24"). The Board has also continued to make headway in the sustainability front by improving the sustainability and governance framework to ensure relevant and consistent delivery of value to our internal and external stakeholders the right way, i.e. the RHB way.

APPLICATION OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE DURING THE YEAR

RHB Bank Berhad has adopted and applied all Practices as recommended by the Malaysian Code on Corporate Governance except for Practice 5.9, which requires that the board comprises at least 30% women directors and Practice 8.3 – Step Up, which requires disclosure of detailed remuneration of each member of senior management on a named basis. As for compliance with Practice 5.9, a women director, namely, Nadzirah Abd Rashid, was recently appointed on 15 March 2024 to fulfill the 30% composition of women directors in the boardroom.

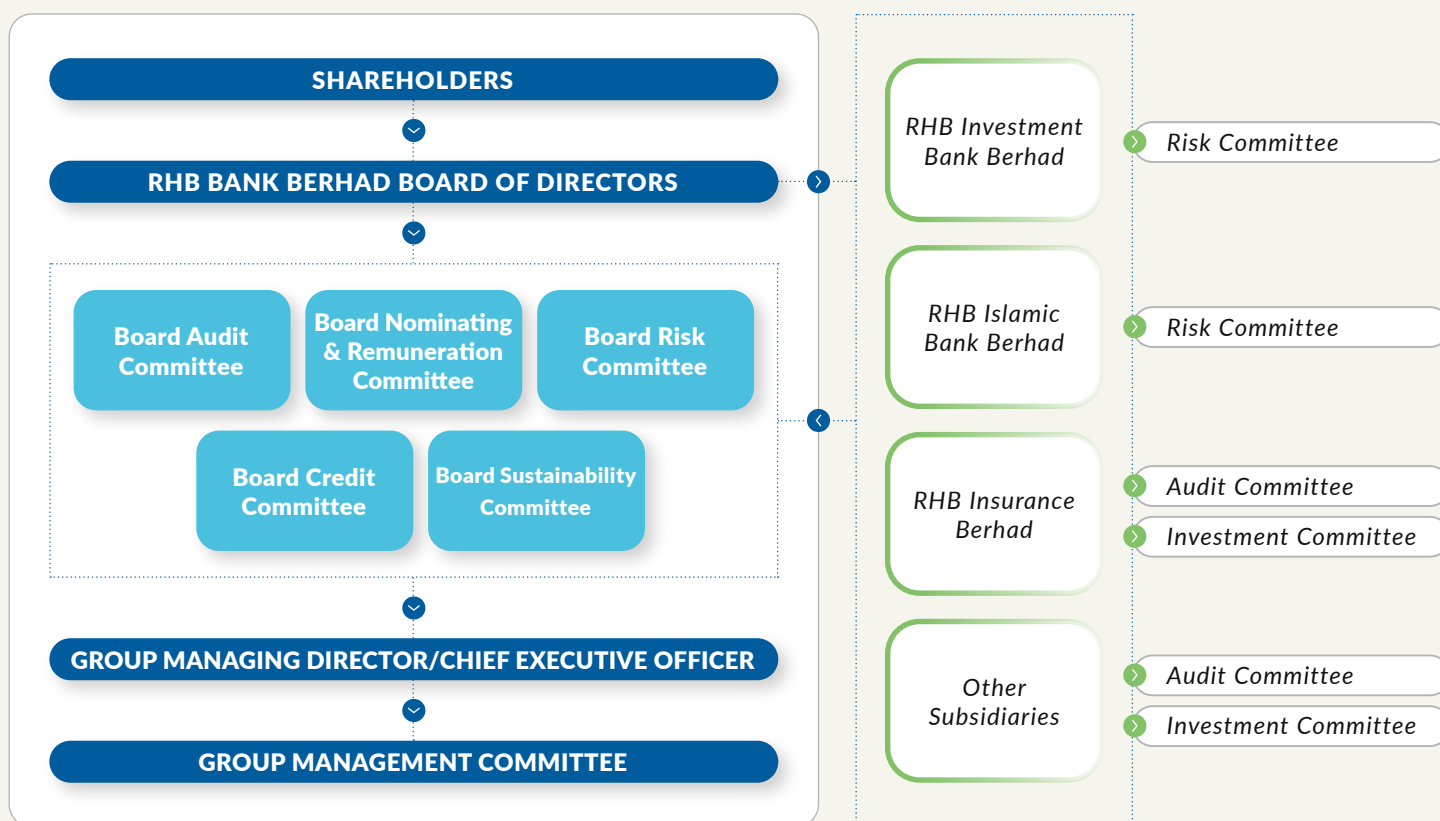
Corporate Governance Overview Statement

RHB'S GOVERNANCE FRAMEWORK

As a well-regulated financial institution, our corporate governance practices adhere to the Bursa Malaysia Main Market Listing Requirements, the Bank Negara Malaysia's Policy Document on Corporate Governance and the Malaysian Code on Corporate Governance. Our Group-wide Governance Framework, which sets the minimum standards and practices required to be observed by our subsidiary companies, is structured to comply with the exceptional standards set by the regulators.

The governance framework is clearly defined and approved by the Board. This model provides the Group with a clear governance structure that guides the governance practices and decision-making authority 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 align with the best practices and regulatory requirements. The Board regularly reviews the composition of the Board Committees and, where required, improves with the support of the Board Nominating & Remuneration Committee.

GOVERNANCE FRAMEWORK



As noted below, the Board has a formal schedule of matters specifically reserved for decision 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:

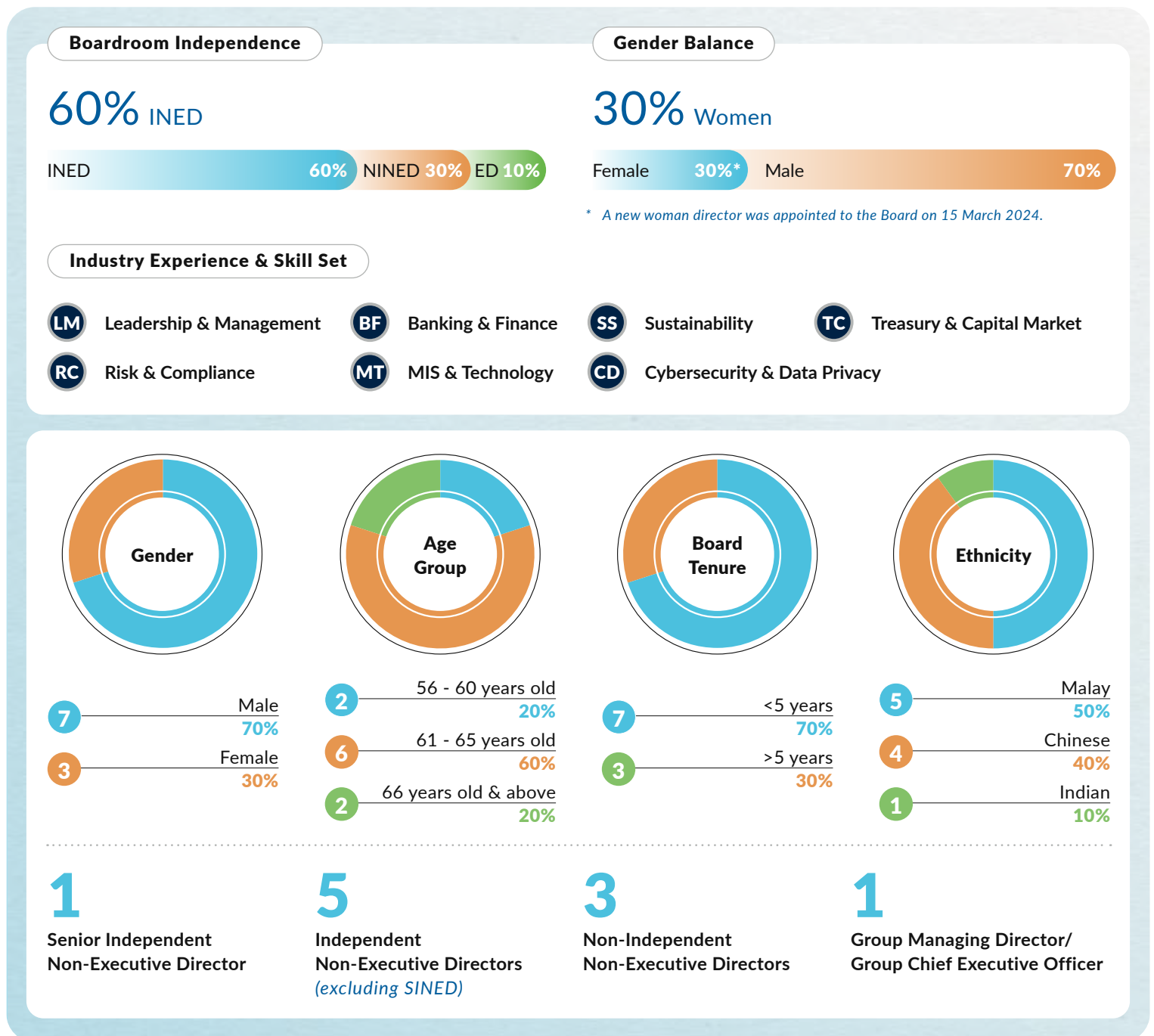
- Business and operating strategies
- New business plans or changes to existing ones
- New investments/divestments
- Mergers and Acquisitions
- Expansion/entry into new markets geographical regions
- Corporate restructuring/re-organisation
- Set-up of new subsidiaries/Joint Ventures
- Partnerships or strategic alliances
- Acquisitions/disposal of significant assets
- Progress of business strategy

Corporate Governance Overview Statement

COMPOSITION OF THE BOARD

RHB Bank Berhad has a diverse board in terms of gender, skill set and experience. There are six Independent Non-Executive Directors (“INED”), three Non-Independent Non-Executive Directors (“NINED”) and one Executive Director (“ED”), who is the Managing Director/CEO, serving on the Board.

The make-up of the Board consists of a variety of industry knowledge and business experience required to oversee the complex operations of the Group. Members appointed to the Board possess diverse skills, knowledge and experience (including financial and non-financial, industries and local and international experiences), allowing for effective governance and oversight. The Board diversity adds value to the Board’s decision-making process by ensuring objective deliberation and discussion always take place with strong opinions and challenges from independent and non-independent viewpoints.



Corporate Governance Overview Statement

BOARD ACTIVITIES & FOCUS DURING THE YEAR

One of the primary responsibilities of the Board is to ensure that the company has achieved strong and sustainable performance. Having a sound governance framework in place allows the Board to discharge its roles and responsibilities clearly. This distinct demarcation provides avenue for strong leadership, accountability and responsibility, creating value for all our stakeholders. Among the key focus areas which required the Board's review and/or approval throughout 2023 were as follows:

▶ PERFORMANCE AND STRATEGY

- Deliberated and approved matters related to the Joint Venture Digital Bank
- Assessed, discussed and approved the Group's strategic business plan for the year – in line with TWP24
- Deliberated on updates from various business units locally and abroad on market conditions and business performance
- Evaluated and prioritised the challenges and opportunities faced by the Group during the Board off-site session
- Discussed and reviewed monthly performance updates from the Group Managing Director
- Deliberated on FY2024-2025 projections
- Assessed and discussed on Group's Internal Capital Adequacy Assessment Process Report for Assessment Year of 2023
- Considered and deliberated on Strategic Review of business segments and products

▶ GOVERNANCE, SUSTAINABILITY, RISK & COMPLIANCE

- Discussed on status updates on the Group's RACE programme
- Deliberated on the Risk Appetite Setting for FY2023 for RHB Banking Group
- Deliberated on the Responsible, Accountable, Consulted and Informed ("RACI") Framework for the Board Sustainability Committee and other respective Board Committees
- Discussed and reviewed the Group's risk, compliance and audit reports
- Approved the Group's annual Corporate Governance statutory disclosure for FY2022
- Updated on ESG/Sustainability and Climate Risk Management
- Received regular updates from supporting Board Committees
- Reviewed and approved half-yearly reports for submission to the Malaysian Anti-Corruption Commission
- Received and approved quarterly updates for submission to Bank Negara Malaysia's Composite Risk Rating
- Discussed and evaluated matters relating to integrity, governance, whistleblowing and anti-corruption
- Received report on the review of the Statement on Risk Management and Internal Control for FY2022
- Deliberated, assessed and approved RHB Banking Group's 5-Year (2022-2026) Sustainability Strategy and Roadmap
- Undertook the board, committee and individual director performance assessment
- Received various briefings/trainings to equip with the latest industry and regulatory developments
- Received and discussed status updates from Chairmen of respective Board Committees

▶ FINANCIAL

- Received updates on Liquidity Coverage Ratio Review
- Deliberated on the financial performance of regional subsidiaries and ways to improve the market share
- Approved the operational budget for FY2024
- Approved contents of the Integrated Report for FY2022
- Deliberated and approved dividend payment for FY2022/2023
- Considered and approved the Disposal of unutilised bank-owned assets to ensure economies of scale

▶ PEOPLE & CULTURE

- Approved appointment of RHB-Nominated Director to the Joint Venture Digital Bank
- Assessed and deliberated on talent management and succession planning
- Deliberated and approved the Cash Deferred Scheme Payout
- Approved appointment of key senior management personnel for both Malaysian and Regional Operations
- Received updates on employees' satisfaction surveys
- Discussed on COVID-19 impact on employees' well-being and performance
- Received briefings and updates on employee remuneration (performance bonus/incentive for FY2022)
- Determined the FY2023 Balance Scorecard for RHB Banking Group in line with the business strategy.

Corporate Governance Overview Statement

BOARD AND BOARD COMMITTEES' MEETING ATTENDANCE IN 2023

The Board and Board Committees regularly met to carry out their respective duties and responsibilities. The information on the percentage of Board and Board committee meetings attended by directors is shown below:

RHB BANK BERHAD BOARD

The Board is responsible for the long-term success of a company and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets a new strategic direction for the company and exercises oversight of management. The Board met 15 times in 2023.

Supporting Committees

- 1 Board Audit Committee ("BAC")
- 2 Board Nominating & Remuneration Committee ("BNRC")
- 3 Board Risk Committee ("BRC")
- 4 Board Credit Committee ("BCC")
- 5 Board Sustainability Committee ("BSC")

Board meeting Attendance **97%**

Independent Directors composition **60%**

BOARD AUDIT COMMITTEE ("BAC")

The BAC is responsible for independent oversight over the management of financial reporting and internal control systems. The committee ensures 'check and balance' for entities within the Group and reviews the financial condition as well as the operational performance of the Group. The BAC also oversees the implementation of anti-corruption programmes by the Group Integrity & Governance division and receives monthly updates on whistleblowing cases. The BAC met 15 times in 2023.

Committee Members

- 1 Ong Ai Lin (Chairperson)
- 2 Donald Joshua Jaganathan
- 3 Datuk Iain John Lo

BAC meeting Attendance **100%**

Independent Directors composition **100%**

BOARD NOMINATING & REMUNERATION COMMITTEE ("BNRC")

The BNRC supports the Board in reviewing and assessing the appointment, performance and remuneration of the Directors, Board Committee members and key Senior Management officers including the Group Managing Director ("GMD") and the MD/CEO, who reports directly to the GMD. The BNRC had 10 meetings in 2023.

Committee Members

- 1 Datuk Iain John Lo (Chairperson)
- 2 Dato' Mohamad Nasir Ab Latif
- 3 Hijah Arifakh Othman
- 4 Donald Joshua Jaganathan

BNRC meeting Attendance **98%**

Independent Directors composition **75%**

Corporate Governance Overview Statement

BOARD RISK COMMITTEE ("BRC")

The BRC provides oversight and governance of risks for the Group. It oversees Senior Management's activities in managing risk and ensures that the risk management process of each entity within the Group are put in place and functioning. The BRC also ensures that the management of the Group's risk is in accordance with a sustainable risk-return performance management framework. The BRC had 15 meetings in 2023.

Committee Members

- 1 Donald Joshua Jaganathan (Chairperson)
- 2 Ong Ai Lin
- 3 Lim Cheng Teck
- 4 Chin Yoong Kheong

BRC meeting
Attendance

95%

Independent
Directors composition

100%

BOARD CREDIT COMMITTEE ("BCC")

The BCC has the responsibility of affirming, vetoing or imposing additional conditions on all types of credit applications (including understock/futures broking) and all types of underwriting applications for amounts above the defined thresholds of the Group Credit Committee ("GCC") and the Group Investment & Underwriting Committee ("GIUC"), of which both reside at the Management level. The BCC had 30 meetings in 2023.

Committee Members

- 1 Lim Cheng Teck (Chairperson)
- 2 YBhg Tan Sri Ong Leong Huat
- 3 YBhg Datuk Chung Chee Leong (Appointed 1 January 2024)
- 4 Hizamuddin Jamalluddin (Appointed 1 January 2024)

BCC meeting
Attendance

100%

Independent
Directors composition

75%

BOARD SUSTAINABILITY COMMITTEE ("BSC")

The BSC strategically drives the Group's sustainability and climate action plans, in line with the Group's sustainability vision, aspirations, key pillars, focus areas and sustainability commitments. The BSC also identifies and drives climate-related commercial opportunities as well as commercial opportunities with social impacts, in line with the Group's approved sustainability and climate action strategy. The BSC met 6 times in 2023.

Committee Members

- 1 Datuk Iain John Lo (Chairperson)
- 2 YBhg Dato' Mohamad Nasir Ab Latif
- 3 Donald Joshua Jaganathan
- 4 Hijah Arifakh Othman

BSC meeting
Attendance

90%

Independent
Directors composition

75%

Corporate Governance Overview Statement

ACTIVITIES UNDERTAKEN BY BOARD NOMINATING & REMUNERATION COMMITTEE ("BNRC")

The BNRC plays an important role in ensuring the board composition is well-balanced and that members appointed can contribute positively to the Group. The BNRC is also responsible to ensure the composition is refreshed periodically and the tenure of each director is reviewed in line with the regulatory requirements. The BNRC must also ensure the annual re-election of a director is contingent upon the satisfactory evaluation of the director's performance and contribution to the Board.

A summary of the key activities undertaken by the BNRC for FY2023 is shown below:

- Reviewed the proposed Performance Bonus/Incentive for FY2022
- Reviewed the proposed appointment of RHB-Nominated Directors for the joint venture Digital Bank
- Reviewed the composition of RHB Bank Berhad Board and all subsidiary boards within RHB Banking Group
- Endorsed the appointment of an independent third party to source and facilitate the search for a new independent director for the RHB Bank Berhad board, as recommended by Practice 5.6 of the MCGG
- Reviewed and approved the appointment of Key Senior Officers and Material Risk Takers within RHB Banking Group
- Reviewed the appointment and reappointment of candidates to the Boards of RHB Banking Group of companies
- Reviewed the succession planning for the Shariah Committee of RHB Islamic Bank Berhad
- Endorsed the Human Resource Management System
- Reviewed the revision to the RHB Bank Berhad's Board Charter
- Endorsed the RHB Banking Group's Remuneration Framework & Policy
- Noted the Responsible, Accountable, Consulted and Informed ("RACI") Framework for the Board Sustainability Committee and other respective Board Committees
- Conducted the fit & proper assessment of Key Responsible Persons of RHB Bank Berhad, RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad
- Reviewed the Eligible Recipients and the Share Allocation for the Share Grant Scheme
- Received updates on relevant human capital matters
- Assessed the independence of Independent Directors of RHB Banking Group
- Reviewed external time commitment of Directors serving on the Boards of RHB Banking Group
- Approved the assessment questionnaires for the Boards & Individual Director's Performance for FY2022/2023

Corporate Governance Overview Statement

BOARD & SENIOR MANAGEMENT'S REMUNERATION

The Board ensures the remuneration package promotes the achievement of strategic objectives within the context 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. The remuneration of directors is reviewed regularly to be competitive within the industry. We ensure the remuneration is fair and equitable as a regional entity/Group, and attractive enough to maintain talents and attract future successors.

▲ Detailed information on RHB's remuneration practice can be found per disclosure in Section B of our Corporate Governance Report 2023.

ASSESSMENT OF BOARD & INDIVIDUAL DIRECTOR'S PERFORMANCE FOR FY2022/2023

The Board continued its annual self-evaluation via the Board Effectiveness Evaluation ("BEE") exercise, reflecting its performance for FY2022-FY2023. The Board Nominating & Remuneration Committee is responsible to ensure the performance of the Board, and that the individual directors are appropriately reviewed. The review of the Directors' performance was carried out via the Board Effectiveness Evaluation exercise. In addition, the BNRC also carried out a separate stand-alone assessment on the Board composition with a primary focus on the tenure of all Independent Directors serving within the Group as part of succession planning for those directors with retirement on the horizon.

The Board Effectiveness Evaluation was carried out using the following parameters:

PART A BOARD EVALUATION

- Overall Board Effectiveness
- Structure, Strategy & Performance
- Interaction & Communication
- Boardroom Culture
- Environmental, Social & Governance ("ESG")
- Leadership (Chairman/Group Managing Director/Managing Director/Chief Executive Officer/Principal Officer)

PART B DIRECTORS' SELF & PEER- ASSESSMENT

- Board Dynamics and Participation
- Leadership, Integrity and Objectivity
- Knowledge and expertise
- Independence

PART C COMPANY SECRETARY EVALUATION

- Evaluation of the Company Secretary's performance

Corporate Governance Overview Statement

RESULTS OF THE BOARD EFFECTIVENESS EVALUATION (“BEE”)

Overall, the BEE assessment provided valuable contribution towards identification of areas of strength and improvement for the overall Board’s performance and individual director’s contribution. Summary of the findings are shown below:

Areas of **Strength**

Boardroom Cohesion	Boardroom Diversity	Boardroom Culture
Results indicated that the Board members work well together in a collegial manner. Members carry themselves well and there is mutual respect for each other’s experience and views.	The current composition has a very good mix of expertise and background of multiple disciplines. This forms a strong base which allows for good discussion, deliberation and decision-making.	The Board is agile in adapting to different demands, with the ability to share insights on emerging topics and guidance, especially at times of uncertainty.

Areas of **Focus for 2024**

GENDER DIVERSITY	BOARDROOM CULTURE	ESG (CLIMATE RISK)	BOARDROOM ADMINISTRATION & PROCEEDINGS
An additional woman director is required to be appointed to the Board to meet the minimum 30% women directors requirement.	Improving on communication between Board and Senior Management as well as quality of presentation content.	Although significant improvement has been noted, Directors have noted that the momentum on participation in ESG and sustainability-related matters must be maintained and improved.	Improvement on meeting time management as some deliberations have been noted to go beyond allocated time.

Review of Independent Directors’ Tenure and Board Refresh

The Independent Directors’ Tenure and Board Refresh highlighted the following required enhancement to existing Board composition:

<p>Board Skills & Experiences as at 31 December 2023</p> <ul style="list-style-type: none"> Leadership & Management Banking & Finance Treasury & Capital Market Governance, Risk & Compliance MIS & Technology Cybersecurity & Data Privacy Sustainability 	<p>Key Considerations for new appointment(s)</p> <p>1. Gender Diversity:</p> <ul style="list-style-type: none"> Additional female Director required to fulfil the MCCG requirement of 30% women Directors <p>2. Qualification:</p> <ul style="list-style-type: none"> Accounting Cybersecurity Information Technology (Digital banking) MIS & Technology Legal ESG experience 		
<p>Board Skills & Experiences of Recent Departures from the Board</p> <table border="0"> <tr> <td> <p>Tan Sri Rebecca:</p> <ul style="list-style-type: none"> International Trade MIS & Technology </td> <td> <p>Puan Sharifatu Laila:</p> <ul style="list-style-type: none"> Capital Market Finance Governance, Risk & Compliance </td> </tr> </table>		<p>Tan Sri Rebecca:</p> <ul style="list-style-type: none"> International Trade MIS & Technology 	<p>Puan Sharifatu Laila:</p> <ul style="list-style-type: none"> Capital Market Finance Governance, Risk & Compliance
<p>Tan Sri Rebecca:</p> <ul style="list-style-type: none"> International Trade MIS & Technology 		<p>Puan Sharifatu Laila:</p> <ul style="list-style-type: none"> Capital Market Finance Governance, Risk & Compliance 	
<p>Board Composition Improvement Skill-set Consideration</p> <table border="0"> <tr> <td> <p>Skills considered by majority Directors as “must have” and “not adequately represented” are:</p> <ul style="list-style-type: none"> Cybersecurity Information Technology (Digital banking) </td> <td> <p>Other skills for consideration are:</p> <ul style="list-style-type: none"> International exposure (banking and capital market) ESG experience Human capital management Change management Additional entrepreneurship experience </td> </tr> </table>	<p>Skills considered by majority Directors as “must have” and “not adequately represented” are:</p> <ul style="list-style-type: none"> Cybersecurity Information Technology (Digital banking) 	<p>Other skills for consideration are:</p> <ul style="list-style-type: none"> International exposure (banking and capital market) ESG experience Human capital management Change management Additional entrepreneurship experience 	
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Other key factors considered for new appointments include age, ethnicity, industry knowledge across different sectors, experience beyond finance or accounting, and the candidate possesses a strong strategic orientation and is comfortable and able to articulate when engaging those at the Board and C-suite levels.

▲ For detailed information on the BEE for FY2022/2023, kindly refer to Practice 6.1 of RHB Bank Berhad’s Corporate Governance Report 2023.

Corporate Governance Overview Statement

CORPORATE GOVERNANCE ("CG") PROGRESS AND MILESTONES

Board
Focus Areas
in 2023

Reflections on Key Corporate Governance

- Monitored the progress of RHB Banking Group's 3-year (2022-2024) strategic roadmap, i.e. TWP24
- Continued to monitor and review the progress of RHB Banking Group's 5-year (2022-2026) Sustainability Strategy and Roadmap
- Oversaw Strategic Succession Planning & Performance Appraisal for key senior management personnel
- Adoption of updated internal Group Policies and Guidelines by regional subsidiaries.
- Renewed the Corruption-Free Pledge
- Continued to assess strategies related to developing and retaining the Group's Human Capital
- Oversaw the progress of the Group's Organisational Anti-Corruption Plan ("OACP") 2022-2026
- Conducted the annual Board Effectiveness Evaluation for FY2022/2023
- Received updates on the Group's Internal Capital Adequacy Assessment Process Report for the Assessment Year of 2023
- Received updates on the Responsible, Accountable, Consulted and Informed ("RACI") Framework for the Board Sustainability Committee and other respective Board Committees

Board
Focus Areas
in 2024

Future Priorities & Aspirations

- Monitor the progress of the Group's business strategic roadmap and develop new roadmap
- Oversee the progress of the OACP implementation progress
- Monitor and review the progress of RHB Banking Group's 5-year (2022-2026) Sustainability Strategy and Roadmap
- Oversee the Board Effectiveness Evaluation for FY2024
- Review the composition of the Board with primary focus on improving Gender Diversity within the Group

Board
Focus Areas
in 2025

- Oversee externally-facilitated Board Effectiveness Evaluation exercise for FY2025
- Review the progress of key milestones set within the approved OACP
- Review the Group Anti-Bribery & Corruption Policy
- Review the Group's Whistleblowing Policy
- Oversee succession planning for INEDs

Board
Focus Areas
in 2026

- Conduct Board Effectiveness Evaluation exercise for FY2025/FY2026
- Review the progress of key milestones set within the approved OACP

Board
Focus Areas
in 2027

- Develop new Organisational Anti-Corruption Strategy for RHB Banking Group
- Review Group's Sustainability Strategy & Roadmap
- Oversee Board Effectiveness Evaluation exercise

Corporate Governance Overview Statement

Corporate Governance Highlights

CONTINUOUS PROFESSIONAL DEVELOPMENT



The Board formally adopted a policy on Professional Development to ensure the directors within the Group undertook necessary training programmes to be well equipped with industry and regulatory developments. Detailed information on the training programmes attended by individual Directors for FY2023 is provided under Section B of our Corporate Governance Report.

BOARD DIVERSITY POLICY



The Boards of RHB Bank Berhad and its subsidiaries are committed to maintaining a board composition that embodies diversity. The Group is cognisant of the value of having a diverse board composition, 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 following recent appointment of Nadzirah Abd Rashid on 15 March 2024.

COMPANY'S DIVIDEND POLICY



The company has a standing dividend policy, which was instituted in FY2020, where the dividend pay-out ratio is to be 30% of its net profit at a minimum, providing a sustained return to the shareholders as its commitment moving forward.

INDEPENDENCE AND FIT & PROPER TEST



- The Chairman of the Board is not a member of the Board Audit Committee and the Board Nominating & Remuneration Committee.
- All INEDs have passed the annual 'independence' assessment and 'Fit & Proper' requirement to ensure their suitability and probity to discharge their roles and responsibility effectively.

BOARD GOVERNANCE HANDBOOK



The Board had put in place a Board Governance Handbook ("BGH") for quick reference and easy guidance, covering code of ethics and business conduct, diversity policy, remuneration policy, etc.

Corporate Governance Overview Statement

COMMUNICATION WITH STAKEHOLDERS

The Board values the importance of having an open and timely communication channel with all the stakeholders. This is carried out through various mechanisms such as the publication of Annual Reports, Financial Reports, Corporate Governance Reports, Sustainability Reports, General Meetings, investors' conferences, roadshows, analyst briefings, media briefings/press conferences and stakeholders' communication via electronic means such as RHB's corporate website. The Group also has a dedicated Investors Relations ("IR") function to ensure shareholders can reach out for information anytime and from anywhere. Existing shareholders can contact the IR team at investor.relations@rhbgroup.com.

BOARD DIVERSITY POLICY

The Group has a Policy on Related Party Transaction in place, which guides the review and reporting of all related party transactions within the Group. Under this Policy, all related party transactions are reviewed by Group Legal prior to independent review by Group Internal Audit before any submission is made to the Board Audit Committee for deliberation. The Group conducts all its related party transactions in a fair and transparent manner.

BOARDPAC MEETING SYSTEM

Keeping with the digital age, the Board continues to leverage technology in its business conduct and affairs. The Board utilises a BoardPAC system, which is password-encrypted and allows Board members to receive documents and important communications in a secure and private manner with a high degree of confidentiality.

GROUP POLICY ON CONFLICT OF INTEREST

The Board has also established a Group Framework and Policy on Conflict of Interest in addition to the existing Group Policy on Related Party Transactions. The guiding principles of the documents are to ensure the Group avoids conflicts of interest and promotes transparency and accountability in its business activities.

Corporate Governance Overview Statement

BOARD INDEPENDENCE

The independence of the Directors is reviewed annually and benchmarked against best practices and regulatory provisions. The BNRC assesses the independence of INEDs via the Board Effectiveness Evaluation (“BEE”) exercise, which takes into account the individual Director’s ability to exercise independent judgement at all times and contribute to the effective functioning of the Board. Based on the latest BEE results, the Board is generally satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interest of the Company. INEDs are also required to provide an annual declaration of their independence to the Group. The Group has also ensured that Senior INEDs are appointed to each major operating entity within the Group in addition to a composition that includes a majority of INEDs.

At every Board meeting, all Directors are required to disclose if they have any interest or any possible conflicts on matters put forth for deliberation and approval in the meeting. When required, the interested Director shall excuse himself/herself and abstain from deliberation and voting to allow free discussion and unbiased decision-making. In the event a corporate proposal requires shareholder approval, interested Directors will abstain from voting in respect of their shareholdings in the Company (if any) and will further ensure that persons connected to them similarly abstain from voting on the resolution.

Roles & Responsibilities

CHAIRMAN

Responsibilities

- 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

Responsibilities

- 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)

Responsibilities

- Monitor and challenge the performance of the management
- Exercise independent judgment in deliberating and reviewing items brought before the Board and Board Committees

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR(S)

Responsibilities

- Act as representative of substantial shareholder whilst providing constructive guidance and objective views on management performance.

GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Responsibilities

- Undertake the responsibility to execute the Group’s overall strategies



AZMAN SHAH MD YAMAN
Company Secretary and
Chief Integrity & Governance Officer

The RHB Banking Group’s Legal, Secretarial & Governance division is led by En Azman Shah Md Yaman. He is accountable directly to the Board, through the Chairman and/or Senior Independent Non-Executive Director, on all matters about the formal functioning of the Board. He leads and is the guardian of these policies and principles of good governance. En 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. En 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”).

Corporate Governance Overview Statement

SETTING THE TONE FROM THE TOP

The Board continues to ensure the Group has a structured and robust risk management framework and internal control systems in place to ensure our business operations are carried out effectively and efficiently without compromising quality.

The Board, with the support of the management, exercises good business judgement when developing strategy, delivering objectives and managing their respective risks by having a robust Enterprise Risk Management in place as part of the Group's internal control system. The Group is committed to ensuring that the internal controls are tested, reviewed and strengthened, allowing for effective risk management that supports our strategic objectives.

The Board holds firm on our stand against corruption. The Board continues to view corruption as a corrosive practice that undermines an organisation's credibility and ethical values. The Board has ensured the Group has in place various Policies and Guidelines that anchor our anti-corruption efforts, such as the Group Anti-Bribery & Corruption Policy, Group Whistleblowing Policy, Group Corporate Sponsorship & Donation Policy, Group Fit & Proper Policy and Group Gifts & Hospitality Guideline, emphasising strong internal controls towards creating a healthy and conducive business environment.

The Group has also established our very own Organisational Anti-Corruption Plan ("OACP") in 2022. This strategic document serves as a point of reference to the Group's employees and business partners on the minimum standard of ethical business conduct that is expected from them. In 2023, the Board Audit Committee was also updated on the progress of our initiatives within the OACP and our future priorities.

There is on-going emphasis from the Board on cultivating and nurturing a corporate culture with a high level of integrity. The Board is confident that 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.

The Board notes that our employees are our first line of defence against corruption, and our values define who we are at RHB. The Board understands that our communication on our values must be clear and consistent and in live with our cultural norms across the Group.

ONE RHB



Demonstrate willingness to put the organisation's needs over personal achievement by fostering teamwork, empowerment and knowledge sharing.

RESULTS ORIENTED



Demonstrate commitment and drive in delivering quality work output, and treat all matters with urgency.

CUSTOMER FIRST



Demonstrate unwavering passion to engage and interact with customers to meet their needs, and create great experience.

Our Shared Core Values

Employees of RHB Banking Group are guided by its common core values, namely P.R.I.D.E. This commitment translates into ethical conduct driven by abhorrence or rejection of any business practice or activity that requires or encourages any of its employees, representatives or agents to commit any fraudulent act or corrupt practices whether it is in the workplace or outside of the organisation.

P PROFESSIONAL

We are committed to maintaining a high level of proficiency, competency and reliability in all that we do.

R RESPECT

We are courteous, humble and we show empathy to everyone through our actions and interactions.

I INTEGRITY

We are honest, ethical and uphold a high standard of governance.

D DYNAMIC

We are proactive, responsive and forward thinking.

E EXCELLENCE

We will continuously achieve high standards of performance and service deliverables.

Corporate Governance Overview Statement

CORPORATE INTEGRITY & ETHICAL BUSINESS CONDUCT

The Board, with the support of management, continues to nurture the application of good business governance across the Group by guiding our staff to always act with integrity and uphold our core values in our daily business conduct. As a leading financial services provider, we uphold 'Integrity' as one of our core values that each and every RHBian must possess at all times. This works as a badge of honour, ensuring everyone associated with RHB always does the right thing at all times, even when no one is watching especially during 'work from home' arrangement.

The Group also ensures compliance with the relevant statutory and supervisory requirements, including the Malaysian Anti-Corruption Commission ("MACC") Act 2009, Guidelines on Adequate Procedures issued by the Prime Minister's Department in December 2018, Guideline for the Management of Integrity and Governance Unit issued by the MACC in 2019, Strategic Plan of Integrity and Governance Unit 2019-2021 issued by MACC, and other relevant documents.

In setting up our foundation and control systems, the Group is guided by the T.R.U.S.T. Principles, which were introduced through the Guidelines on Adequate Procedures by the Prime Minister's Office. Group Integrity & Governance ("GIG"), as empowered by the Board, ensures our activities are aligned with the aforementioned T.R.U.S.T. Principles as follows:

T TOP LEVEL COMMITMENT

- Provided top down endorsement for the RHB Banking Group's Integrity Day which was held on 14 November 2023. The Board ensured there was sufficient budget allocated for the event to ensure all required support was accorded for a successful event. The Integrity Day was held in conjunction with the National Integrity Month and conveyed the Board's message of zero tolerance stance over bribery and corruption
- Launched the Anti-Bribery & Corruption ("ABC") Handbook during our engagement with registered Suppliers on 3 May 2023 as part of the Integrity Strengthening initiative
- Submitted half-Yearly reporting to the Malaysian Anti-Corruption Commission on whistleblowing statistics and initiatives relating to integrity strengthening and governance
- Ensured there was adequate manpower in place for primary as well as supporting role within GIG

R RISK ASSESSMENT

- Carried out the annual Materiality Risk Assessment to assess the corruption risk within the organisation group-wide. The assessment also included corruption risk assessment for our local and regional (overseas) operations
- Reviewed corruption risk, including fraud risk, through the Group's Operational Risk Management Annual Risk and Compliance Assessment ("RCSA") exercise
- Developed Corruption Risk Assessment User Guide to support departments in conducting their corruption risk assessment

U UNDERTAKE CONTROL MEASURES

- Reviewed and enhanced the Group's Whistleblowing Policy and Gifts & Hospitality Guideline
- Established the Group's Organisational Anti-Corruption Plan ("OACP") in 2022. An update on the progress of the initiatives was provided to the Board Audit Committee in August 2023
- Conducted proper due-diligence by vetting key senior officers prior to their on-boarding as well as vetting applicants for corporate sponsorships

S SYSTEMATIC REVIEW, MONITORING & ENFORCEMENT

- A review the Group's Anti-Bribery & Corruption controls was undertaken by Group Internal Audit ("GIA") in July 2023. Based on the review conducted, several areas were identified as room for improvement. It was recommended that these items be reviewed by Group Integrity & Governance and enhanced accordingly
- Achieved 100% completion of short-term action plans per OACP mandate
- Appointed Integrity & Liaison Officers within respective division/entities to assist GIG in implementing required tasks group-wide

Corporate Governance Overview Statement

T TRAINING & COMMUNICATION

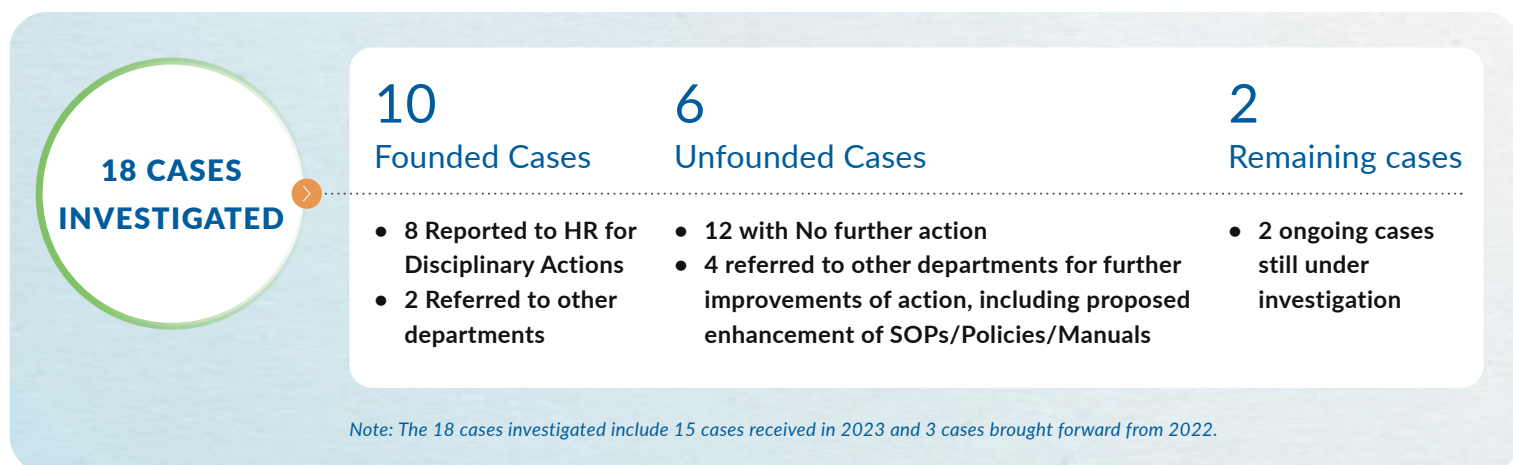
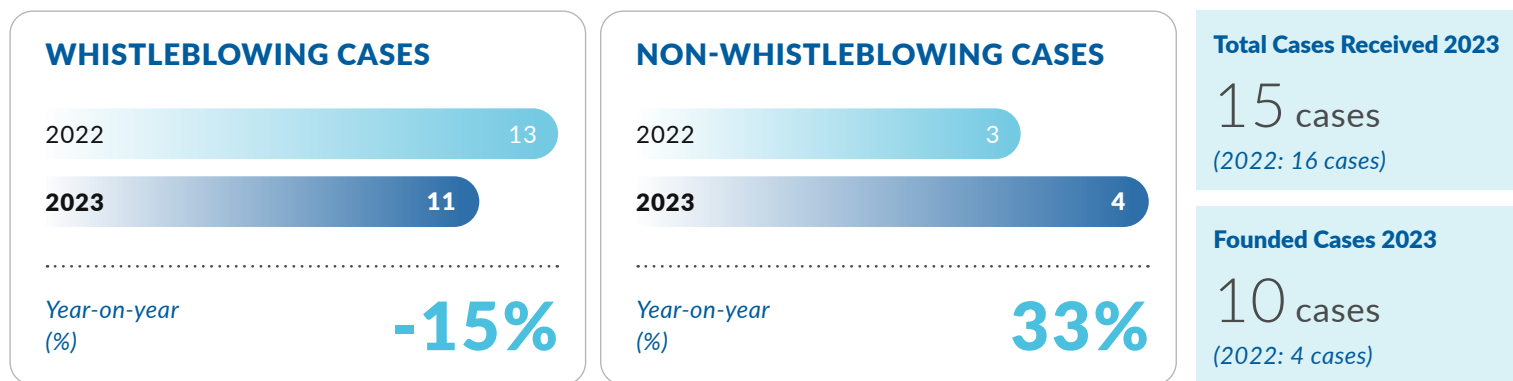
- Conducted 24 training sessions involving RHB Banking Group staff
- Carried out training engagement session with key registered suppliers for Integrity Strengthening on 3 May 2023
- Organised RHB Integrity Day where our corruption free pledge was reiterated on 14 November 2023
- Published eight flyers (accompanied by FAQ sheets) and four Quarterly Bulletins to edify and inform employees on anti-bribery & corruption, gifts & hospitality and whistleblowing

WHISTLEBLOWING OR 'SPEAK-UP'

RHB Banking Group's whistleblowing avenues are available for use by both internal and external parties to speak up on any wrongdoings. The Group has a dedicated email, namely speakup@rhbgroup.com, as well as other authorised whistleblowing channels. The Group Integrity & Governance manages and monitors all whistleblowing matters and any updates on whistleblowing matters are shared with the Board Audit Committee on a monthly basis.

The Group has also established an Information & Complaint Assessment Committee ("ICAC") at the management level to oversee and assesses the information and complaints received through whistleblowing channels prior to making recommendation on the next course of action to be undertaken.

There was a decrease in the number of whistleblowing cases received from 13 cases in 2022 to 11 cases in 2023. This decrease comes in the backdrop of continuous efforts from Group Integrity & Governance to strengthen our stakeholder's understanding of the relevant policies and guidelines, promote the right organisational culture, and further encourage exemplary behaviour among staff and business partners.



CORPORATE INTEGRITY & ETHICAL BUSINESS CONDUCT (Cont'd)

Key Internal Controls

Our approach to risk and compliance is beyond “ticking-a-box”. The Group has published codes, policies, procedures and other supplementary documents to maintain a strong ethical and integrity culture across the Group.

RHB Key Internal Controls

The implementation of anti-bribery and corruption measures are effected through the following internal documents and initiatives:

- Group Anti-Bribery & Corruption Policy
- Group Whistleblowing Policy
- Group Fit & Proper Policy
- Group Corporate Sponsorship & Donation Policy
- Group Policy on Related Party Transaction
- Group Policy on Conflict of Interest
- Group Anti-Money Laundering & Counter Financing of Terrorism Policy
- Group Fraud Risk Management Policy
- Group Gifts & Hospitality Guideline
- Group Code of Ethics & Business Conduct for Directors
- Group Code of Ethics & Conduct for Employees
- RHB Corruption Free Pledge
- RHB Organisational Anti-Corruption Plan
- Annual Corruption Risk Assessment & Corruption Risk Management
- Core Values (“P.R.I.D.E.”)
- Anti-Bribery & Corruption Stance and Commitments
- Whistleblowing or Speak-up Channels and Avenues

GROUP COMPLIANCE

The regulatory environment for financial institutions is increasingly complex and constantly changing. New laws and regulations continue to evolve, increasing regulators’ expectations. Any failure to ensure compliance may result in significant financial losses, heavy penalties and reputational consequences.

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.

Corporate Governance Overview Statement

GROUP COMPLIANCE (Cont'd)



Puan Fazlina Mohamed Ghazalli leads and executes Group-wide compliance strategic plans that enable RHB Banking Group to comply with regulatory requirements. She reports to the Board Risk Committee.

Puan Fazlina has over 22 years of banking experience and was in legal practice before starting her banking career in 2001. Puan Fazlina holds a Bachelor of Laws 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").

Group Compliance's Key Focus for 2024

- 1 to continue to strive for operational efficiency and workflow optimisation to support business objectives and manage regulatory compliance risks;
- 2 to nurture compliance competencies and decision-making in the front-line;
- 3 to support RHB in embedding applicable regulatory requirements including Environmental, Social and Governance (ESG); and
- 4 to apply data analytics to project holistic and continued development of data driven review on regulatory compliance risks.

**ROBUST COMPLIANCE FUNCTION
THROUGH CONTINUOUS INNOVATION TO SUPPORT
BUSINESS OBJECTIVES AND EFFECTIVE COMPLIANCE MANAGEMENT**

Innovation	Supporting Business Resilience	Assurance
<ul style="list-style-type: none"> Ensure operational efficiency of AML/CFT, regulatory and shariah compliance capabilities. Continuously enhance compliance reporting capabilities. 	<ul style="list-style-type: none"> Optimise workflow and data collection. Cultivate front-line and Business Risk Compliance Officer ("BRCOs") compliance competency and decision-making with due consideration of applicable regulations. Support RHB in embedding ESG considerations. Continuously sustain trust as a responsible financial service partner to all stakeholders. 	<ul style="list-style-type: none"> Establish data-driven monitoring capabilities. Continuous surveillance and control assessments. Continuous development of strong AML/CFT, regulatory and shariah compliance risk management in all lines of defence.

Embed Compliance Culture

- Continuously promote of dynamic, proactive and responsible AML/CFT, regulatory and shariah compliance culture to support business in regulatory compliance management.
- Embed compliance culture through continuous and relevant compliance trainings, workshops and forums.

Corporate Governance Overview Statement

GROUP COMPLIANCE (Cont'd)

The following are some of the key initiatives by Group Compliance for 2023 in its effort to remain vigilant pandemic.

INITIATIVES

INNOVATION

- Further enhancements made to AML systems for SWIFT-Rentas applications.
- RHB AML/CFT Capabilities Enhancement (“RACE”) Programme Phase 1 successfully went live in December 2022.
- Enhanced AML data governance and data management, transaction monitoring scenario coverage and calibration as well as screening rules and threshold.
- Foreign Account Tax Compliance Act (“FATCA”) remediation completed in September 2022 and FiTAX system server and software upgrade completed in December 2022.

SUPPORT BUSINESS RESILIENCE

- Established the Risk Appetite Statement metrics in understanding the bank’s risk culture.
- Continuous review and revision of the Compliance Risk Assessment (“CRA”) and the AML Risk Assessment (“AMLRA”) methodology.

ASSURANCE

- Enhanced treasury surveillance by including voice recordings of treasury dealers into monitoring scope on a staggered based approach.
- Increased compliance and regulatory reviews to detect procedural gaps vis-à-vis regulatory requirements. Conducted approximately 430 compliance reviews across the Group.
- Overall review of policies, circulars and guidelines to ensure that the Group’s operational and business processes are updated where required, including updating of policies, circulars and guidelines in regional entities. Performed annual compliance and AML risk assessments.

COMPLIANCE CULTURE

- 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.
- Completed approximately 130 compliance culture programmes and issued various learning publications throughout the year.
- Continued the “A Branch Compliance Day Programme” in 2023 in line with the Group’s effort to build a positive compliance culture. In 2023, 43 branches benefitted from the initiative and exchanged various compliance issues and developments.

Corporate Governance Overview Statement

OUTCOME

- Completed automation of the generation of AML systems dimension reports for data quality purpose since April 2023.
- Enhancement/automation for effective end-to-end digital workflow for case investigation completed.
- Datamart enhancement/upgrade completed such as Productivity Dashboard and storage upgrade.
- Common Reporting Standards ("CRS") reporting for all 16 entities submitted to Lembaga Hasil Dalam Negeri ("LHDN") before the due date of 30 June 2023.
- Singapore's Operations Reporting Team ("ORT") has successfully reported Foreign Account Tax Compliance Act ("FATCA") and CRS for Reporting Year 2022. Training on FATCA/CRS reporting were also conducted in April 2023.

- Regulatory Risk Appetite Statement ("RAS") was approved by relevant Board/Committees.
- Enhancement of the CRA and AMLRA metrics and dash board reporting was completed.
- Revision and adoption of Group Compliance Management Framework and Policy.
- Conducted 16 mini-market place, an initiative to improve the product review turnaround time (TAT) from 7 working days to 3 working days.
- Enhancement of Compliance Reporting.
- Establishment of Guidance Note/Functional Document for enhancement of compliance related governance and processes.
- Improve turnaround time and support to business.
- Participated in Group Sustainability Committee ("GSC") and Responsible and Sustainable Practices Council ("RSPC") to drive good Environmental, Social and Governance ("ESG") practices, knowledge enhancement and culture awareness.
- Embedded ESG related requirements in reviews.

- Enhancement of trade surveillance review process was completed and the relevant compliance officers were briefed accordingly.
- Conducted compliance reviews which encompass gap assessment, regulatory reviews, thematic/departments/branch reviews, regional and shariah reviews.
- First reporting of AML/CFT RAS first reporting for January 2023 was tabled at Board Risk Committee in February 2023 and is on-going for the monthly reporting.
- Enhancement to AML/CFT Transaction Monitoring.
- Sharing sessions completed with Business Compliance Officer/Business Risk Compliance Officer/Business Risk Compliance Coordinator on health checks and validations of Quarterly Compliance Checklist (QCC).
- Issuance of memo on Guidance for BRCO/BRCC Validation.

- Conducted compliance clinics and role-based sessions across RHB Malaysia and RHB Singapore.
- Rolled out compliance-related trainings, i.e. bite-size training, boot camps, knowledge sharing, AML system training.
- Issued compliance learning publications i.e. Learn & Lead Bulletins, Learning Video, Compliance Flash Cards covering Secrecy and Customer Data Protection, Responsibilities of Access Employees, Advertising requirements for Capital Market activities, Dormant & Inactive Central Depository System ("CDS") account, etc.
- Completed identification of certification programme. Enrolment and in the process of completing the certification programme.
- Rolled out compliance competency assessments.

Corporate Governance Overview Statement

GROUP COMPLIANCE (Cont'd)

Compliance 2023 Highlights

In the constantly evolving era of digitalisation, there is a heightened necessity for regulatory authorities in Malaysia to strengthen cybersecurity governance as well as to prioritise the development of Environmental, Social and Governance (“ESG”) based regulations to address climate risk concerns. While the COVID-19 pandemic has accelerated the digitalisation of products, the Group displays resilience by enhancing in-house innovation while maintaining stringent controls in upholding secrecy and protecting customer information. Our compliance function continues to focus on effective compliance management by meeting the expectations of regulatory authorities and supporting the Group’s business objectives.

▶ KEY PRIORITIES FOR 2024

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 widespread change. The Group understands this and is always looking for new strategies to ensure compliance is embedded as part of everyone’s responsibility.

The following are our key priorities for 2024:

- Innovation of compliance ecosystem by enhancing operational efficiency of AML/CFT, regulatory & shariah compliance capabilities through various projects such as via Project RACE, utilisation of data analytics, artificial intelligence and machine learning to effectively manage regulatory environment and financial crime and promote speed, scalability and interconnectivity to market.
- Supporting business resilience through the following initiatives:
 - Optimising workflow and data collection process by, among others, enhancing Group policies, guidelines and procedures and enhancing CRA workflow and processes.
 - Cultivation of front-line and BRCOs compliance competency by continuous review and enhancement of Business Compliance Officer (“BCO”), Business Risk Compliance Officer (“BRCO”) and Business Compliance Coordinator (“BCC”) capabilities and responsibilities.
 - Embedding ESG considerations in regulatory compliance by, among others, embedding ESG considerations in compliance reviews, establishing a Group Compliance Centre of Excellence for ESG and providing an independent view on implementation of Group-led ESG programmes.
 - Continuously sustaining trust as a responsible financial service partner to the Group’s community of customers and stakeholders.
- A strong focus on the area of assurance by continuously enhancing data-driven monitoring capabilities and surveillance and control assessments, continuous development of strong AML/CFT, regulatory & shariah compliance risk management and continuous development of compliance competency and future talent.
- Embedding compliance culture through the continuous promotion of a dynamic, proactive and responsible AML/CFT, regulatory and shariah compliance team and continuously providing access to compliance trainings, workshops and forums.

The above are by no means an exhaustive list of priorities that the Group has set for 2024. With the uncertainties surrounding the economic environment due to the continuous threat posed by the pandemic, the Group will continue to stay vigilant to the emergence of new compliance risks and the need to come up with improved strategies to combat the same and protect its stakeholders’ interest.

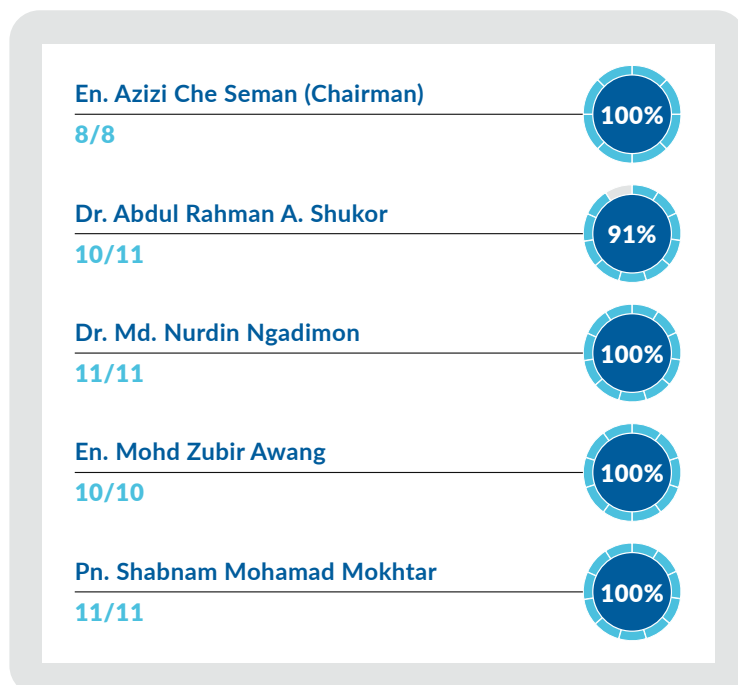
Shariah Committee Report

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”); and
- 3 To ensure the establishment of appropriate procedures leading to prompt compliance with Shariah principles.

COMPOSITION AND ATTENDANCE OF MEETINGS

A total of ten (10) regular meetings and one (1) special meeting were held as at 31 December 2023. 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:



ENGAGEMENT SESSIONS & TRAININGS ATTENDED

As part of the initiatives aimed at maintaining effective communication between the Shariah Committee, the Senior Management and the Board of Directors of RHB Islamic Bank, engagement sessions and special in-house training programmes were held as follows:

1. Engagement sessions between RHB Islamic Bank Board of Directors and Shariah Committee Members held on 5 July 2023 and 7 November 2023.
2. Islamic Finance, Islamic Fintech & Digital Banking by Assoc. Prof. Dr. Ziyaad Mahomed held on 23 November 2023.

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 Sessions as follows:

1. “Dealing with Misconceptions in Islamic Banking” by Assoc. Prof. Dr. Kamaruzaman Noordin held on 28 February 2023;
2. “The Shariah Mind” by En. Mohd Zubir Awang held on 23 May 2023;
3. “From Theory to Practice: Maqasid Shariah and Its Application in the World of Islamic Finance” by Dr. Md. Nurdin Ngadimon held on 25 July 2023;
4. “Islam and the Environment: A Multi-Pronged Approach to Sustainability” by Pn. Shabnam Mohamad Mokhtar held on 26 September 2023; and
5. “Muamalat for Dummies” by En. Azizi Che Seman held on 29 November 2023.

The Shariah Committee members 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 the RHB Islamic’s Board of Directors for approval.

Board Audit Committee Report

The Board Audit Committee Report for the financial year ended 31 December 2023 is prepared pursuant to the Listing Requirements of the Bursa Malaysia Securities Berhad.

COMPOSITION AND ATTENDANCE OF MEETINGS

A total of fifteen (15) Board Audit Committee (“BAC”) meetings were held during the financial year ended 31 December 2023. The BAC comprises the following three (3) members, all of whom are Independent Non-Executive Directors and the details of attendance of each member at the BAC meetings held during the year are as follows:

<p>Ms. Ong Ai Lin <i>Chairperson/ Senior Independent Non-Executive Director</i></p> <p>15/15 </p>	<p>Mr. Donald Joshua Jaganathan <i>Member/ Independent Non-Executive Director</i></p> <p>15/15 </p>	<p>Datuk Iain John Lo <i>Member/ Independent Non-Executive Director</i></p> <p>15/15 </p>

The BAC undertakes the functions of the Audit Committee of the key entities within the Group encompassing RHB Bank Berhad, RHB Investment Bank Berhad and RHB Islamic Bank Berhad. Other entities in the Group with its own established Audit Committee include RHB Insurance Berhad and RHB Asset Management Sdn Bhd as well as the relevant overseas subsidiaries.

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.

Deliberations at the BAC meetings were robust and detailed. 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 a Board delegated committee. In discharging its duties, 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.

Board Audit Committee Report

SUMMARY OF BAC ACTIVITIES IN 2023

The work carried out by the BAC in the discharge of its duties and responsibilities during the financial year are summarised as follows:

1 Financial Reporting

- a) 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.
- b) In reviewing the financial results and financial statements of the Group, the BAC discussed and made enquiries on, among others:
 - Changes in accounting policy and adoption of new or updated accounting standards, and its impact to the financial statements.
 - Significant matters highlighted, including any significant judgement and assumptions made by the Management.
- c) Discussed with the external auditors on the following matters as highlighted in their Audit Committee Report for the financial year ended 31 December 2023:
 - Significant audit and accounting matters involving credit related matters, impairment assessment of goodwill and adoption of MFRS 17 "Insurance Contracts";
 - Internal control recommendations;
 - Tax related matters; and
 - Summary of uncorrected misstatements.

In addition to the financial reporting matters, the BAC was updated by the external auditors on new accounting and auditing standards as well as tax related matters, such as implementation of e-Invoicing, new rules on Transfer Pricing, Service Tax and Stamp Duty.

2 Internal Audit

- a) Reviewed and approved the annual audit plan for the financial year 2023 to ensure adequacy of scope, coverage and resources as well as competency of the internal auditors.
- b) 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.
- c) 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.
- d) Reviewed and deliberated on the summary of audit findings/observations presented at the MAC meetings, 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.
- e) 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.
- f) 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.
- g) Reviewed the minutes of meetings of other board audit committees within the Group to the extent permitted by the relevant regulatory authorities to satisfy itself that all matters arising therefrom had been appropriately addressed by these other board audit committees.
- h) Reviewed the half-yearly update on significant findings and issues from the audit reports tabled at the entity BAC that these matters have been adequately and effectively addressed.
- i) Updated the Board on key issues/concerns deliberated in the BAC meeting via the BAC Summary to the Board.

Board Audit Committee Report

3 External Audit

- a) Reviewed the 2023 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 2023	Date tabled to BAC
Audit Committee Report for the financial year 2022	26 January 2023
Internal Control Report for the financial year 2022	19 April 2023
Limited Review of the unaudited financial statements of RHB Bank and RHB Islamic Bank for the financial period ended 30 June 2023	20 July 2023

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 26 January 2023 and 20 July 2023 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 2023 audit plan, which was tabled to the BAC in July 2023, 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.

The external auditors presented their Transparency Report 2023 to the BAC which highlighted the outcome of the audit quality review and their ongoing commitment to audit quality.

- A comprehensive review was also conducted in December 2023 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.
- f) Reviewed the Management Representation Letters to the external auditors in relation to their limited review of the financial results for the six months ended 30 June 2023, and the statutory audit and Statement on Risk Management and Internal Control for the financial year ended 31 December 2023 before recommending them for the Board’s approval.

Board Audit Committee Report

4 Integrity & Governance

- a) Reviewed and endorsed the progress of the key initiatives as stipulated under the Group's Organisational Anti-Corruption Plan ("OACP") 2022-2026.
- b) Reviewed and endorsed the half-yearly reports to the Malaysian Anti-Corruption Commission ("MACC") prepared by Group Integrity & Governance for the Board's approval.
- c) Reviewed and deliberated monthly reports tabled by Group Integrity & Governance covering the statistics and status of whistleblowing and non-whistleblowing cases being investigated.
- d) Received updates on progress of initiatives such as awareness and training programmes covering anti-bribery and corruption, whistleblowing, gifts and hospitality as well as other relevant areas involving ethical business conduct and provided guidance and direction to Group Integrity & Governance as and when required.
- e) Reviewed and deliberated the Corporate Governance Overview Statement and Corporate Governance Report prior to recommending them for the Board's approval.

5 Related Party Transactions

- a) Reviewed the reports of related party transactions ("RPTs") on a quarterly basis covering the nature, amount of the transactions and 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.
- b) The Group has in place an approved policy on RPTs which governs the process of identifying, evaluating, approving, reporting and monitoring of RPTs and RRPTs as well as outlining the duties and responsibilities of the relevant parties involved in the RPT process.

6 Conflict of Interest

- a) Reviewed and deliberated on the Group Conflict of Interest ("COI") Framework to ensure it provides clear guiding principles to be observed by the employees and directors of the Group in managing COI. The implementation and operationalization of the COI Framework will be carried out via issuance of Group COI Policy and COI Guidelines.

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.

Board Audit Committee Report

INTERNAL AUDIT FUNCTION

The internal audit function of RHB Banking Group provides independent assurance to the Board on the adequacy and effectiveness of the Group's risk management, internal control and governance processes implemented by the Management.

GIA operates within the framework defined in its Internal Audit Charter which is approved by the Board. GIA's activities conform with the Institute of Internal Auditors' International Standards for the Professional Practices of Internal Auditing and the requirements set out by the relevant regulators on the internal audit function.

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.



ALEX TAN AUN AUN
Group Chief Internal Auditor

Group Chief Internal Auditor, Mr Alex Tan Aun Aun leads the internal audit function of RHB Banking Group and he reports to the BAC. He has more than 28 years of multifaceted experience in the banking business with more than 13 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 as well as a member of the Chief Internal Auditors Networking Group ("CIANG").

Internal Audit Charter

The Internal Audit Charter ("Audit Charter") defines the purpose, authority, responsibility and scope of work 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.

Board Audit Committee Report

Summary of GIA Activities

▶ MAIN AUDIT ACTIVITIES

- 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. Areas audited during the financial year encompassed all the business and support pillars including overseas operations covering Wholesale Banking, Community Banking, Distribution Channels, Shariah Business, Insurance Business, IT Security and Operations, Sustainability Management and the Group Support Functions. Other key areas audited include Anti-Money Laundering/Counter Financing of Terrorism (“AML/CFT”), Anti-Bribery and Corruption, market conduct, customer information secrecy and outsourcing. A total of 518 reports were issued during the year.
- c) Carried out investigations into suspected fraudulent activities, whistleblowing cases, staff misconduct, potential secrecy breach, and other activities as and when required.
- d) Performed root cause analysis and make recommendations to the Management to improve the control environment and to prevent recurrence of similar incidents.
- e) Tabled audit reports to the MAC of the respective entities. The status of rectification of all audit findings and mitigation action plans implemented by Management to adequately address the underlying causes are closely monitored by the MACs at every meeting.
- f) Monitored and followed up through the respective MACs on the timely rectification of all reported audit findings 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) Carried out compliance and validation reviews as requested by regulators such as review on anti-bribery and corruption, and validation on implementation and effectiveness of fraud countermeasures to combat fraud monetised via internet and mobile banking. The outcomes of the reviews were tabled to the BAC for review and submitted to the regulators.
- h) Conducted thematic and continuous audits on targeted areas to identify operational lapses as well as to enable timely intervention through continuous monitoring to address the underlying causes.
- i) Conducted audit on AML/CFT areas with the objectives of (i) validating the 39 completed RHB AML/CFT Capabilities Enhancement (“RACE”) initiatives based on the approved completion and outcome criteria and (ii) assessing the operating effectiveness of the committed/implemented post-RACE controls. The outcome/results of these reviews were tabled to the Group Management Committee (“GMC”), MAC, BRC and BAC.
- j) Conducted a readiness review of the Ministry of Higher Education (“MOHE”)’s MySiswa project which entails the opening of savings accounts and issuance of debit cards which also serve as standard university identification cards to students in public universities, to validate the readiness of the processes, procedures, systems and internal controls put in place by Management.

Board Audit Committee Report

▶ OTHER AUDIT ACTIVITIES

- a) 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. The results of the reviews are tabled to the BAC for deliberation.
- b) 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.
- c) Participated in new IT system or new product development activities to provide recommendations upfront on the relevant control features to be considered by Management.
- d) Attended Management meetings as permanent invitee on a consultative and advisory capacity to provide independent feedback where necessary on internal control related matters.
- e) 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.
- f) Organised MAC meetings, prepared meeting materials, minutes of meetings as well as summary of key audit findings and requests for extension of rectification timeline for submission to the BAC.
- g) 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 2023.
- h) Organised in-house and external training for the internal auditors in various areas such as Sustainability Management, AML, Anti-Bribery and Corruption, Cyber Security, Secrecy and Information Protection, Data Analytics, Cloud, AI Machine Learning, etc. to further develop their skills and competency in the respective areas.

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 2023, GIA has 166 auditors (Malaysia: 143) with relevant academic/professional qualifications and experience to carry out the activities of the internal audit function. Total costs of RM40.6 million (Malaysia: RM33.0 million) was incurred to maintain the internal audit function of the Group for the financial year 2023.

Board Audit Committee Report

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 have either obtained or are currently pursuing the relevant certification programmes to equip themselves with the necessary knowledge of the subject matter applicable to their functions.

The professional qualifications comprise the following:

- Asian Institute of Chartered Banker (AICB) – Certified Bank Auditor, Chartered Banker, Certification in AML/CFT
- Institute of Internal Auditors (IIA) – Certified Internal Auditor, Accreditation in Internal Quality Assessment/Validation
- Information Systems Audit and Control Association (ISACA) – Certified Information Systems Auditor
- Association of Certified Anti-Money Laundering Specialists (ACAMS)
- Certified Fraud Examiner
- EnCase Certified Examiner
- Chartered Professional in Islamic Finance

Based on each staff's Individual Development Plan for the year 2023, the internal auditors attended the relevant technical, leadership and management courses and Future Skills Programme offered by RHB Academy, the Group's Learning and Development Centre, and external programmes.

With the rapid progression in innovation and technology in the business environment, GIA has continued to provide its staff with relevant specialised training and learning programme. GIA has adopted new technologies and has expanded the use of data analytics, robotic process automation ("RPA"), optical character recognition ("OCR") and presentation tools to enhance the efficiency and effectiveness of audits performed as well as to improve the presentation of reports to the Board.

As part of the capability building for GIA and to prepare the internal audit staff to be 'auditors of the future', GIA will continue to implement the competency enhancement framework which was developed jointly with an external consultant.

▶ 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 last 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.

Additional Compliance Information Disclosures

INTEGRITY REPORT

Disclosure on corporate exercises

1. Cessation of Business of RHB Hong Kong Limited and its subsidiaries

On 5 December 2019, RHB Bank announced that RHB Hong Kong Limited (“RHB Hong Kong”) and its subsidiaries (collectively known as “RHB Hong Kong Group”) had on 4 December 2019 decided to cease business operations (“Cessation”).

Pursuant to the Cessation, RHB Hong Kong Group has discontinued offering financial services to its existing and potential clients.

As at to-date, the following activities have been carried out by RHB Hong Kong Group:

No.	Activities	Company Name
1.	Has discontinued offering financial services to its existing and potential clients	RHB Hong Kong Limited
2.	Revocation of licence	<u>6 October 2022</u> RHB Securities Hong Kong Limited RHB Futures Hong Kong Limited
3.	Has commenced winding up exercise	<u>31 December 2022</u> RHB Hong Kong Limited RHB Securities Hong Kong Limited
4.	Has been dissolved upon its deregistration as a legal entity	<u>18 April 2019</u> RHB Fundamental Capital Hong Kong Limited <u>17 June 2020</u> RHB (China) Investment Advisory Co. Ltd. <u>17 March 2021</u> RHB Finance Hong Kong Limited <u>15 October 2021</u> RHB Asset Management Limited RHB Capital Hong Kong Limited <u>4 January 2022</u> RHB Wealth Management Hong Kong Limited <u>15 September 2023</u> RHB Futures Hong Kong Limited

2. Proposed Disposal of the Entire Equity Interest in RHB Securities Vietnam Company Limited (“RHBSVN”) by RHB Investment Bank Berhad (“RHBIB”) to Public Bank Vietnam Limited (“PBVN”) (“Proposed Disposal”)

RHBIB, a wholly-owned subsidiary of RHB Bank, had, on 19 February 2024, entered into a conditional sale and purchase agreement with PBVN (“Purchaser”), a wholly-owned subsidiary of Public Bank Berhad (“PBB”) in respect of the Proposed Disposal (“SPA”).

The Proposed Disposal is deemed a related party transaction pursuant to paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in view of the interests of a major shareholder of RHB Bank, Employees Provident Fund Board, who is also a major shareholder of PBB with 15.11% equity interest in PBB as at 31 January 2024.

The Proposed Disposal will entail the disposal by RHBIB of its entire equity interest in RHBSVN to the Purchaser for a cash consideration of VND374.00 billion (RM72.56 million based on an exchange rate of VND100:RM0.0194 as at 31 January 2024 subject to certain terms and conditions as set out in the SPA and adjustments to be mutually agreed between RHBIB and the Purchaser.

Additional Compliance Information Disclosures

3. Investment in Boost Bank Berhad (formerly known as Boost Berhad) by RHB Bank Berhad (“RHB Bank”)

Following the conditional approval from Bank Negara Malaysia (“BNM”) on 29 April 2021 in relation to the joint application for a digital bank licence by RHB Bank and Boost Holdings Sdn Bhd (“Boost Holdings”), an indirect subsidiary of Axiata Group Berhad (“Axiata Group”) (refer to Note 59(1) of the Audited Financial Statements for further details), RHB Bank had, on 31 March 2023, announced the following:

- a. RHB Bank and Boost Holdings had, on 1 March 2023, jointly incorporated a company called Boost Berhad with a share capital of RM100 consisting of 100 ordinary shares in Boost Berhad (“Boost Berhad Shares”), of which 60% equity interest or 60 Boost Berhad Shares are held by Boost Holdings, with the balance 40% equity interest or 40 Boost Berhad Shares being held by RHB Bank. Subject to approval from BNM, Boost Berhad will be the legal entity to carry out the digital banking business (“Proposed Digital Bank”).
- b. RHB Bank, Boost Holdings and Boost Berhad had, on 31 March 2023, entered into a share subscription agreement for RHB Bank and Boost Holdings to subscribe for 100 million new Boost Berhad Shares. RHB Bank’s portion of 40% equity interest amounted to 40 million new Boost Berhad Shares for a cash consideration of RM40 million and Boost Berhad’s portion of 60% equity interest amounted to 60 million new Boost Berhad Shares for a cash consideration of RM60 million.
- c. RHB Bank, Boost Holdings and Boost Berhad had on 31 March 2023 entered into a shareholders’ agreement (“SHA”) to regulate the affairs of Boost Berhad as the Proposed Digital Bank, as well as RHB Bank and Boost Holdings’ relationship between themselves as shareholders of Boost Berhad. Further details on the SHA are disclosed in Note 59(1) of the Audited Financial Statements.

The investment in Boost Bank is deemed a related party transaction pursuant to paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in view of the interests of a major shareholder of RHB Bank, the Employees Provident Fund Board, is also a major shareholder of Axiata Group with 16.89% equity interest as at 15 March 2023.

On 8 January 2024, RHB Bank announced the following:

- a. BNM had vide its letter dated 3 October 2023 granted the approval pursuant to Section 139 of the Financial Services Act 2013 for Boost Berhad to use the word “bank” in its proposed new name, i.e. Boost Bank Berhad with effect from 4 October 2023.
- b. The Companies Commission of Malaysia had vide its letter dated 13 December 2023, notified Boost Berhad that the Minister of Domestic Trade and Cost of Living had approved for Boost Berhad to use the word “bank” as part of its proposed new name, i.e. Boost Bank Berhad. On 18 December 2023, Boost Berhad changed its name to Boost Bank Berhad (“Boost Bank”).
- c. BNM had vide its letter dated 8 January 2024 notified RHB Bank and Boost Holdings that BNM is satisfied with the outcome of the operational readiness review of Boost Bank and that the Minister of Finance (“MOF”) has agreed to the issuance of the physical digital banking licence to Boost Bank and for the said licence to take effect on 15 January 2024.

As part of the conditions imposed by BNM and MOF in approving Boost Bank to commence operations as a digital bank, RHB Bank, as a shareholder of Boost Bank, has given an undertaking to BNM that in the event Boost Bank is wound down and required to implement its exit plan during its foundational phase, RHB Bank shall provide adequate funds proportionate to its shareholding in Boost Bank at the material time, to ensure that Boost Bank has sufficient funds to satisfy all its remaining obligations and liabilities due including customer deposits. Boost Holdings have also provided a similar undertaking.

As at 15 March 2024, the paid-up capital of Boost Bank is approximately RM215 million comprising approximately 215 million ordinary shares in Boost Bank (“Boost Bank Shares”) of which 40% equity interest or approximately 86 million Boost Bank Shares is held by RHB Bank with the balance 60% equity interest or approximately 129 million Boost Bank Shares being held by Boost Holdings. The source of funds for RHB Bank’s investment in Boost Bank is derived from internally generated funds of RHB Bank.

Boost Bank will leverage on the strengths of Boost Holdings in the fintech sector and RHB Bank in the banking sector respectively, to offer digital banking products and services and shall focus on the underserved and/or unserved segment primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.

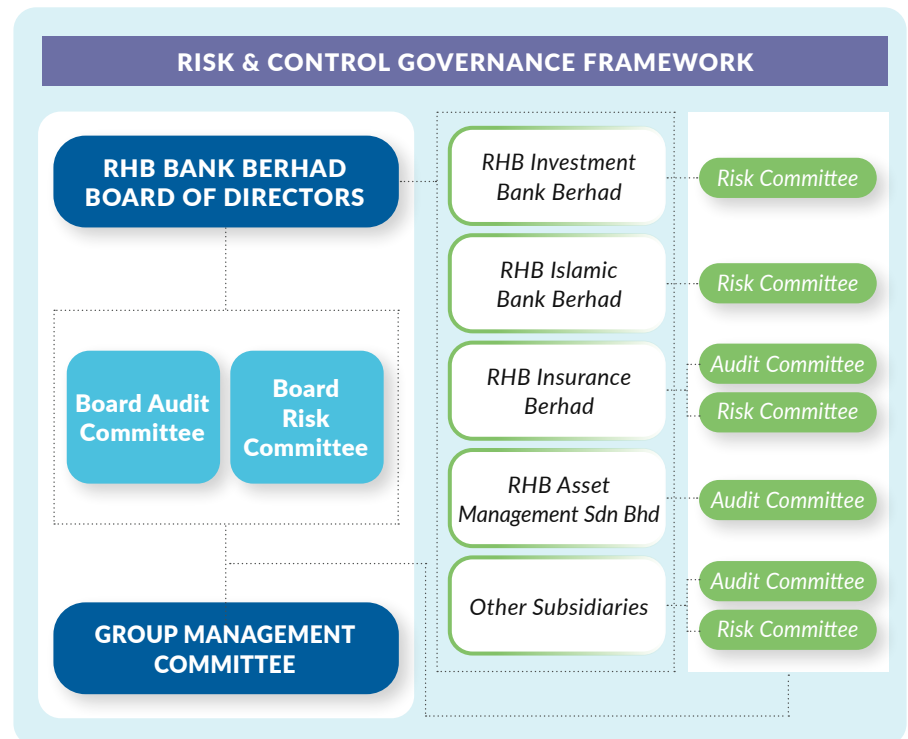
This Statement on Risk Management and Internal Control (“Statement”) is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The Statement has been prepared in accordance with the guidelines as set out in the “Statement on Risk Management and Internal 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 for 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 risk management and internal control 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 risk management and internal control 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 has 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 key entities within the Group have its own BRC which reports to its respective Board to allow for greater flexibility and agility in managing specific regulatory and business requirements. The BAC undertakes the functions of the Audit Committee of the key entities within the Group encompassing RHB Bank Berhad, RHB Investment Bank Berhad and RHB Islamic Bank Berhad. Other entities in the Group with its own established Audit Committee include RHB Insurance Berhad and RHB Asset Management Sdn Bhd as well as the relevant overseas subsidiaries.



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 key roles involve:

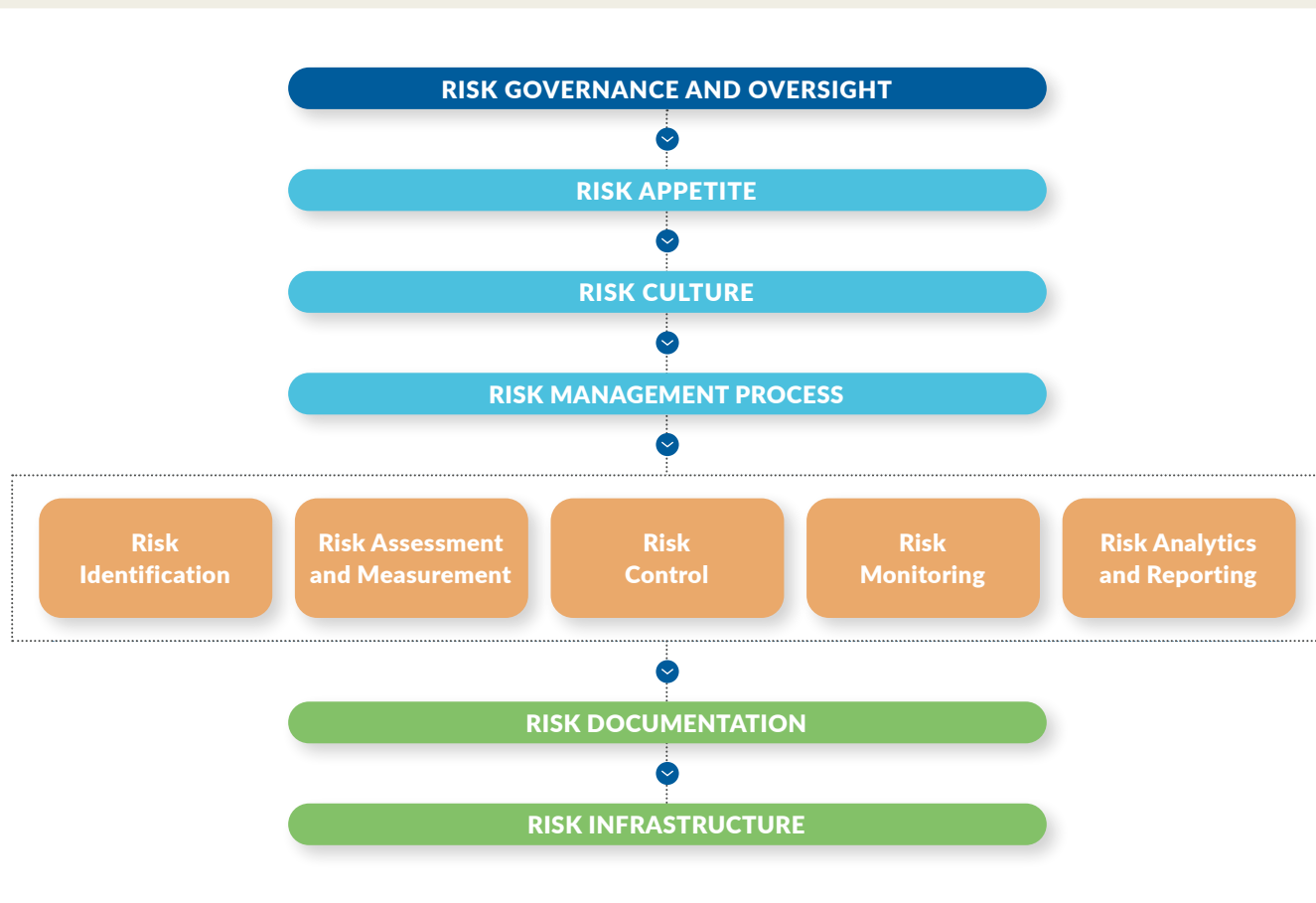
- Identifying and evaluating the risks relevant to the Group’s business and achievement of its business objectives and strategies;
- Designing and implementing the risk management framework in accordance with the Group’s strategies and risk appetite, and monitoring its effectiveness; and
- Reporting 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.

Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK

The Group has 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 ("GCRC") 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 whilst the Group Asset and Liability Committee ("Group ALCO") oversees market risk, liquidity risk and balance sheet management.

The Board also oversees the development, maintenance and implementation of the Group's Recovery Plan. The recovery planning process is integrated into the Group's overall risk appetite, strategic planning and risk management framework.

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.

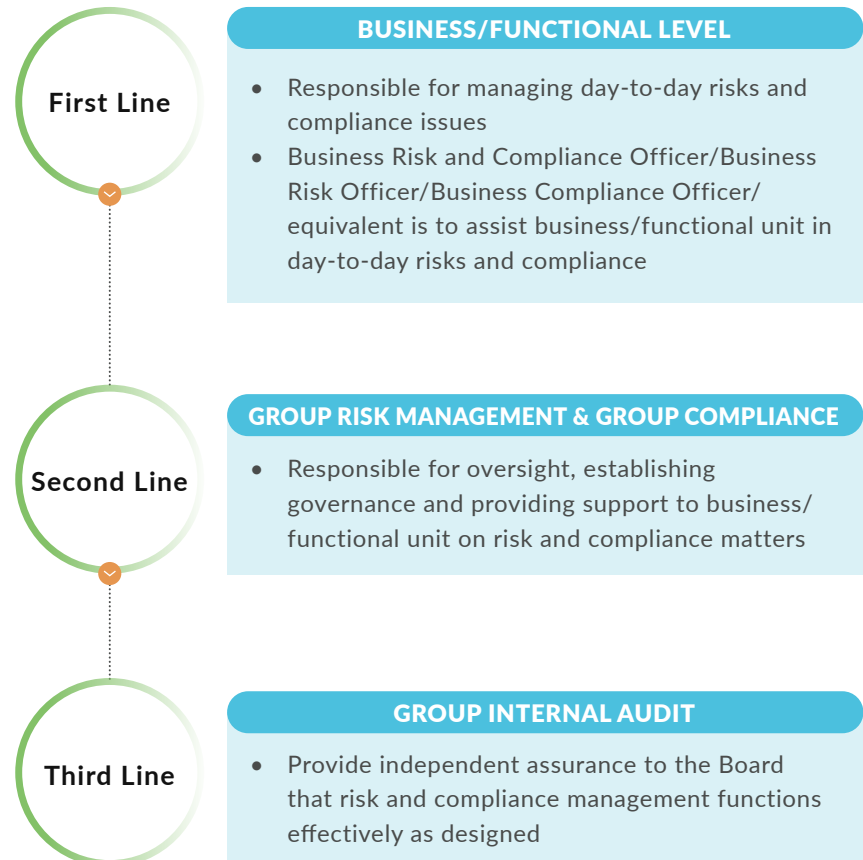
Risk Culture

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 leading practice, 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 and Compliance Officer/ Business Risk Officer/Business Compliance Officer 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.



Step 01

▶ The identification and analysis of the existing and potential risks is a continuing process, in order to facilitate proactive and timely identification of risk within the Group's business operations, including emerging risks. This ensures that risks can be managed and controlled within the risk appetite of the Group and specific entity, where necessary.



Step 02

▶ Risks are measured, assessed and aggregated using comprehensive qualitative and quantitative risk measurement methodologies, and the process also serves as an important tool as it provides an assessment of capital adequacy and solvency.



Step 03

▶ Risks identified during the risk identification process must be adequately managed and mitigated to control the risk of loss. This is also to ensure risk exposures are managed within the Group's or entity's risk appetite.



Step 04

▶ Effective monitoring process ensures that the Group is aware of the condition of its exposures vis-à-vis its approved appetite and to facilitate early identification of potential problem on a timely basis by using continuous and on-going monitoring of risk exposures and risk control/mitigation measures.



Step 05

▶ Risk analysis and reports are prepared by the respective entities and at a consolidated level as well as business level; and are regularly escalated to the senior management and relevant Boards of the Group's entities to ensure that the risks identified remain within the established appetite and to support an informed decision making process. Reporting and analytics are also being continuously enhanced to provide risk intelligence to relevant stakeholders within the Group to facilitate more effective decision making.

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. Documents are subject to a robust review process to ensure they remain current.

Statement on Risk Management and Internal Control

> 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. Staff have clear roles and responsibilities, given access to relevant and up to-date risk information, and the latitude to continuously enhance competency through learning and development programmes.

Risk systems and tools are designed to provide accessibility of risk information that complement the risk management process. The availability of data for analytics and monitoring, and dashboards and reporting assists in continuously enhancing risk management capability. The Group's Risk Management Report has evolved to be more analytically-driven which include elements of quantitative and qualitative forward looking projections.

Effective risk management requires the Group to continuously review its risk management capabilities to effectively manage risk and to improve risk management practices across the Group. Therefore, the Group has embarked on transformation journeys striving for improvements for better efficiency and effectiveness.

▲ Further information on risk management is provided in the section on Key Risks and Mitigation of this Integrated Report.

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 to ensure 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 for 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 is responsible for setting the overall strategic direction of the Group's sustainability and climate-related strategy, towards ensuring alignment with the Group's long term goals and corporate strategy, regulatory expectations, government directives and industry best practices. Accordingly, the Board of Directors receives quarterly progress updates on the implementation of the Group's 5-Year (2022-2026) Sustainability Strategy and Roadmap.

The Group further strengthened its sustainability governance structure in 2022 with the establishment of the Board Sustainability Committee ("BSC"). The BSC provides strategic oversight of the Group's sustainability and climate-related initiatives, as well as material Environment, Social and Governance ("ESG") matters across the Group's business and operations and ensures alignment with the Group's overall business strategy. In providing the strategic oversight, the BSC works closely with the BRC, Board Nominating & Remuneration Committee ("BNRC"), and BAC.

In July 2021, the Group Sustainability Committee ("GSC") was established comprising of the Group Senior Management and chaired by the Group Managing Director. The GSC is responsible in driving the strategic execution of the Group's Sustainability and climate agenda and reports to the BSC.

To support the GSC, the Group has established two (2) Sustainability Councils, namely Sustainable Business Council ("SBC") and the Responsible and Sustainable Practices Council ("RSPC"). Comprising key representatives from Strategic Business Groups and Strategic Functional Groups, the Sustainability Councils aim to ensure the successful implementation of the Group's sustainability and climate-related initiatives. The Sustainability Councils are supported by a network of Sustainability Sponsors and Champions, who are responsible for embedding sustainability practices in their respective business and functional areas. In 2023, this network has been bolstered by the appointment of two (2) Sustainable Finance sector specialists, with deep expertise in the oil palm and healthcare industry respectively.

The Group Climate Action Programme ("GCAP") is a core component of the Group's Sustainability Strategy and Roadmap, towards developing the Group's Pathway to Net Zero by 2050. Through GCAP, we have integrated climate-related considerations into the Group's decision-making processes, risk assessments and business strategy in line with regulatory requirements and industry best practices.

▲ Please refer to our Sustainability Statement and Sustainability Report 2023 for more details on our Sustainability Governance, Sustainability Strategy and Roadmap, Sustainability Risks and Climate Risks, Group Climate Action Programme, and initiatives.

Statement on Risk Management and Internal Control

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES (Cont'd)

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.

Technology and Cyber Risk Management

The Group regards Technology and Cyber Risk Management 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, processes and technology. Technology and cyber risk management framework, policies, 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 Technology and Cyber Risk Management 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 at all levels, including 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.

This is operationalised through our Security Operation Centre and Cyber Emergency Response Team that are staffed with qualified cyber security professionals and equipped with market-leading solutions. Regular tests are conducted to ensure the readiness of our people and robustness of our processes and solutions.

In order to strengthen and enhance the level of information security management, the Group has obtained certification of ISO/IEC27001:2013 in addition to complying with various regulatory requirements on managing information technology risk holistically.

In addition, the rapid adoption of digitisation and cloud adoption have led to increased risks to traditional on-premises computing system. To address this emerging risk, the Group has adopted a multi-pronged approach:

- Deployment of digital solutions with increased investment in security infrastructure and the hiring of support personnel with skillset covering digital fraud and cloud security.
- Comprehensive technology and cloud risk assessment for evaluation of the criticality and readiness for cloud adoption covering architecture, interfaces, confidentiality and system redundancy.
- 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 budgets and business plans as well as strategic initiatives, taking into account the established risk appetite, go through challenge sessions 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 employees 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

Statement on Risk Management and Internal Control

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES (Cont'd)

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 both documents 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

RHB Bank Berhad is committed to conducting its business in accordance with the Malaysian Anti-Corruption Commission Act 2009 and all other applicable laws and regulations. This is also reflected in RHB's zero tolerance stance on bribery and corruption in line with its core shared values. The Group's Anti-Bribery and Corruption Policy sets the guiding principles to support the Group's business operations and assist employees to uphold corporate integrity and the Group's reputation. As part of its on-going efforts to ensure RHB remains a corruption free organisation, key initiatives and targets form part of the Group's Organisational Anti-Corruption Plan (2022-2026) and have been carefully carried out. In addition, relevant policies and guidelines are periodically reviewed and updated to ensure no operational lapses or breaches are prevalent.

In further strengthening the Group's anti-bribery and corruption efforts, the Group launched its Organisational Anti-Corruption Plan (2022-2026) which will serve as a blueprint over the coming years to address any weakness within the Group's controls and to ensure they are remedied in a timely manner.

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") was revised and updated in 2022, in accordance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and Bank Negara Malaysia ("BNM")'s Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions (AML/CFT and TFS for FIs). It sets out the high-level standards towards building a stronger and robust AML/CFT compliance regime within the Group, facilitating consistency in managing the AML/CFT compliance risk across the Group, and sets out the Group's policy statements in respect to 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") for customer acceptance and to implement the AML/CFT Compliance Programme framework. The RBA is applied for the assessment on 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.

As stipulated in Group AML/CFT Policy, the roles and responsibilities of the business compliance officer ("BCO") have been enhanced

within an existing governance structure by making the BCOs the first point of contact for AML/CFT related matters and are required to provide guidance to business departments and branches. In addition, BCOs are also responsible for providing advisory support to GMD/Board on planning, implementing and overseeing risk-related issues on all business pillars within RHB Group.

The policy also reinforces that the Board has responsibility for establishing the AML/CFT policies/guidelines 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.

RHB Group also conducted a review and subsequently revised the Group's Sanctions Policy to demonstrate its strong commitment in combating AML/CFT risks and to ensure compliance with all applicable AML/CFT and Targeted Financial Sanctions laws and regulations that are legally binding upon RHB Group and its businesses. As such, RHB Group has enhanced the Group's Sanctions Policy to be more stringent under some circumstances than the requirements stipulated in the current laws and regulations. Restrictions and prohibitions in the policy were enhanced to mitigate the risk of breach of sanctions and to continue to uphold the zero-tolerance policy towards sanctions breaches or non-compliance.

The various AML initiatives led and completed by RHB Group in the past year were driven by the Group's continuous commitment and efforts to comply with the applicable sanctions, laws, and regulations.

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.

Group Fraud Risk Management Policy

The Group Fraud Risk Management Policy is designed to ensure consistent organisational behaviour by developing, implementing and regularly reviewing strategies for fraud prevention, detection and response. The Policy established the core governing principles for managing fraud risk 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. It also articulates the roles and responsibilities of the Board, Senior Management and other stakeholders within the Group on fraud risk management.

The Group is also actively participating in industry-wide efforts to combat fraud, particularly in online banking. Prevention measures includes measures to continuously adjust fraud systems parameters through analytics, and campaigns to raise client awareness. A dedicated fraud team that operates around the clock, coupled with the two-prong approach and enforcing a zero-tolerance policy, effectively mitigates fraud across the Group's 3 lines of defence structure.

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

Statement on Risk Management and Internal Control

INFORMATION AND COMMUNICATION

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 timely resumption of critical functions and business resiliency in the event of any disruption.

As part of the lessons learned from COVID-19 pandemic, the Management has put in place proactive and precautionary measures to mitigate and manage outbreak and risk of infection. Hence, in ensuring continuous provision of essential services the Business Continuity Plan (“BCP”) pandemic strategy is in place. This entails split operations and Work-From-Home arrangements, utilisation of digital platform for any meetings, and communication platform to provide advisory and updates on any revision of the COVID-19 Standard Operating Procedures (“SOP”) for all employees of the Group.

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 and has also successfully conducted Core Banking Weekday Disaster Recovery (“DR”) run to ensure capability and sustainability of DR systems to support production volume on business day in the event of prolonged outage. 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. In 2023, the Crisis Simulation Exercise was conducted internally at RHB Group. In addition, the Group had also participated in two (2) industry wide crisis simulation exercises organised by regulators, i.e. Securities Commission and Bank Negara Malaysia.

We strive to continue improving our BCM framework through the maturity curve, where we are aligning our BCM practices towards operational resiliency, e.g. (i) the ability to withstand, recover or even adapt to incidents that may cause harm, destruction or loss of ability to perform functions; and (ii) focus on outcomes that allows business to continue operations during turbulent times.

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 and deliberation by the GMC.

Group Whistleblowing Policy

To ensure employees are accorded the opportunity to raise concerns without the fear of reprisal, a Group Whistleblowing Policy (“GWBP”) was established in 2007. The GWBP provides a proper mechanism and minimum standards to be adhered by entities across the Group in dealing with disclosure on questionable actions or wrongdoings by any personnel in the Group and the Group’s Business Partners. The GWBP also provides a primary designated whistleblowing channel, namely speakup@rhbgroup.com. The GWBP was last updated in 2021.

▲ Details of the GWBP can be found under Practice 3.2 of the RHB Bank’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.

Statement on Risk Management and Internal Control

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 RHB Bank BAC, RHB Insurance BAC, RHB Asset Management BAC, RHB Bank BRC, RHB Investment Bank Board Risk Committee ("IBBRC"), RHB Islamic Board Risk Committee ("BRC-i"), RHB Insurance Board Risk Committee ("Insurance BRC"), Board Credit Committee, BSC and Board Nominating & Remuneration Committee.

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 the 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

Group Compliance supports the Group in all regulatory and compliance matters by ensuring compliance with the relevant laws, rules and regulations issued by the regulators. The Group is committed to maintaining the highest standards of business conduct and ethics by establishing robust and comprehensive policy, procedures, processes and systems to ensure honesty, transparency and integrity whilst upholding the Group's reputation and protecting its shareholders, customers and employees.

Group Compliance has an on-going initiative to build a stronger "culture of compliance" in its day-to-day operations to ensure that any risks identified are better managed so that the Group meets the

relevant regulatory requirements. In the past year alone, RHB Group completed approximately 130 compliance culture programmes and issued various learning publications throughout the year in an effort to maintain a robust compliance culture within the organisation. The Group has made continuous effort in monitoring and managing the Group's compliance risk challenges and actively propagates that Compliance is the responsibility of all staff. In 2023, RHB Group completed the enhancement of the CRA and Anti-Money Laundering Risk Assessment (AMLRA) methodologies for more effective identification and management of regulatory risks. As part of its ongoing risk management efforts, approximately 430 compliance reviews were conducted across the Group. The compliance reviews provide insight into any potential regulatory risk where it can help business to identify and improve on processes.

Furthermore, under the RHB AML/CFT Capabilities Enhancement Programme, RHB Group has made inroads in enhancing its AML capabilities through the enhancement of AML data governance and data management, transaction monitoring scenario coverage and calibration, and screening rules and matching validation. This helped to streamline processes to avoid errors and duplication of effort by standardising the overall approach and contributed to a more efficient process via smart automation. Some of the smart automation which was enhanced includes strengthened Trade Based Money Laundering controls, e.g. consistent screening for dual use goods, consistent and standardised approach for identification of beneficial owners, comprehensive risk coverage through new transaction monitoring scenarios, remediation of customer information while adopting an enhanced AML risk assessment tools and analysis.

In relation to that, all key control operations are performed to a high and consistent standard by centralising AML control operations within Group Operations, establishing clear 1st Line of Defense ownership which is supported by strong Business Compliance Officers (BCOs) /Business Risk Compliance Officers (BRCOs) and governance committees with a clearly defined Risk Appetite Statement (RAS) and policies, reporting and KPI. Other automated key processes include population of Enhanced Due Diligence Forms and data collection for effective Customer Risk Profiling and better onboarding process.

Shariah Compliance

In line with the Shariah Governance Policy Document issued by BNM; a comprehensive Shariah Governance Framework which encompasses the Group's Shariah governance structure, the key principles of Shariah governance and control functions, the reporting structure as well as its roles and responsibilities have been maintained by the Group.

Various activities and initiatives such as Shariah reviews, assessment, trainings and briefings, and the implementation of staff implication of non-compliance review findings were undertaken to further strengthen the RHB Bank's compliance culture. 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.

Statement on Risk Management and Internal Control

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. 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.

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. In addition, GIA is responsible for the review of the overall internal control framework and systems in regard to the Group Climate Risk Management and audit of Group Sustainability Management function which provides assurance on the Group’s sustainability management. GIA is also responsible to review the implementation of the Group Conflict of Interest framework, policies and guidelines.

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.

Audits are conducted in accordance with the approved audit plan while ad-hoc reviews and investigations are carried out as requested by Management, the Board or regulators. Investigations on whistleblowing cases are conducted by GIA and the outcomes of the investigations are reported to the BAC for deliberation and the Board for notation.

Audit reports detailing the audit findings, root causes, risk 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 has expanded the use of data analytics, robotic process automation and optical character recognition to enhance the efficiency and effectiveness of audits performed. As part of the capability building for GIA and to prepare the internal audit staff to be ‘auditors of the future’, GIA will continue to implement the competency enhancement framework which was developed jointly with an external consultant.

▲ Further information on the GIA function is provided in the Board Audit Committee Report of this Integrated Report.

CONCLUSION

The Board, through RHB Bank BAC, RHB Insurance BAC, RHB Asset Management BAC, RHB Bank 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.

The Board has also obtained assurance from the Group Managing Director and the Group Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively.

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 29 February 2024

Number of Issued Shares : 4,286,348,101 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 : 36,918

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100 shares	2,191	5.94	50,378	0.00
100 – 1,000 shares	8,965	24.28	5,738,742	0.13
1,001 – 10,000 shares	19,714	53.40	73,055,505	1.71
10,001 – 100,000 shares	5,007	13.56	146,452,643	3.42
100,001 to less than 5% of the issued shares	1,038	2.81	1,841,923,979	42.97
5% and above of the issued shares	3	0.01	2,219,126,854	51.77
Total	36,918	100.00	4,286,348,101	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares			
		Direct	%	Indirect	%
1.	Employees Provident Fund Board ("EPF") ¹	1,729,529,020	40.35	-	-
2.	OSK Holdings Berhad	438,777,545	10.24	-	-
3.	Kumpulan Wang Persaraan (Diperbadankan)	218,114,030	5.09	37,490,618	0.87
4.	Tan Sri Ong Leong Huat @ Wong Joo Hwa ²	-	-	438,777,545	10.24
5.	Yellow Rock (L) Foundation ²	-	-	438,777,545	10.24

Notes:

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	438,811,382	10.24
Ong Ai Lin		
- Direct	28,488	*

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 29 February 2024

Category	No. of Shareholders		Shareholdings		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Individual						
Bumiputera	672	0	4,108,019	0	0.10	0.00
Chinese	25,569	0	201,462,541	0	4.70	0.00
Indian	819	0	4,784,603	0	0.11	0.00
Others	112	570	839,317	14,127,840	0.02	0.33
Body Corporate						
Banks/Finance Companies	38	3	720,988,849	5,177,040	16.82	0.12
Investments Trusts/Foundation/ Charities	17	0	609,933	0	0.01	0.00
Industrial and Commercial Companies	461	16	333,655,411	20,902,042	7.78	0.49
Government Agencies/ Institutions						
	2	0	5,968,489	0	0.14	0.00
Nominees						
	7,581	1,056	2,349,213,629	624,484,323	54.81	14.57
Others						
	2	0	26,065	0	0.00	0.00
Total	35,273	1,645	3,621,656,856	664,691,245	84.49	15.51

Changes in Share Capital

as at 29 February 2024

The number of issued shares of the Company as at 29 February 2024 is 4,286,348,101 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
16/06/2022	69,158,646 (ordinary shares of RM5.17 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Final Dividend in respect of financial year ended 31 December 2021.	-	4,212,077,154
07/11/2022	35,296,474 (ordinary shares of RM4.97 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Interim Dividend in respect of financial year ended 31 December 2022.	-	4,247,373,628
15/05/2023	38,974,473 (ordinary shares of RM4.74 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Second Interim Dividend in respect of financial year ended 31 December 2022.	-	4,286,348,101

List of Thirty (30) Largest Shareholders

as at 29 February 2024

No.	Name	Shareholdings	
		No. of Shares	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,729,529,020	40.35
2	OSK HOLDINGS BERHAD	271,483,804	6.33
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	218,114,030	5.09
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	199,646,800	4.66
5	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD FOR OSK HOLDINGS BERHAD	136,846,726	3.19
6	PERMODALAN NASIONAL BERHAD	93,290,300	2.18
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	91,736,233	2.14
8	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	48,192,132	1.12
9	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	43,876,760	1.02
10	PERTUBUHAN KESELAMATAN SOSIAL	43,026,144	1.00
11	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	28,253,600	0.66
12	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	26,620,069	0.62
13	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	25,608,917	0.60
14	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGE BANK (FI 17)	24,693,784	0.58
15	PERTUBUHAN KESELAMATAN SOSIAL PKSACT41969 P2	24,618,576	0.57
16	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	23,204,300	0.54
17	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	22,232,200	0.52
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	21,461,233	0.50
19	RHB NOMINEES (TEMPATAN) SDN BHD MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR OSK HOLDINGS BHD (OSK I CM T1)	19,686,035	0.46

List of Thirty (30) Largest Shareholders

as at 29 February 2024

No.	Name	Shareholdings	
		No. of Shares	%
20	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	18,626,147	0.44
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	18,345,188	0.43
22	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	17,479,377	0.41
23	GUOLINE (SINGAPORE) PTE LTD	16,205,948	0.38
24	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	15,445,137	0.36
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	14,642,038	0.34
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	13,671,900	0.32
27	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	13,587,600	0.32
28	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	13,190,900	0.31
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	12,345,672	0.29
30	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	11,467,800	0.27

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 31.12.2023 (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	34 & 28	Freehold	-	174,319	2016
Penang										
2.	44 Lebuhr Pantai Georgetown	RHB Bank Berhad	1 unit of 6½ storey commercial building	896	Bank Branch	64	Freehold	-	2,913	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	29	Freehold	-	3,252	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	23	Leasehold	2090	53,876	1992
Perak										
5.	No. 2,4,6 & 8 Jalan Tun Sambanthan Ipoh	RHB Bank Berhad	4 storey office building	890	Bank Branch	26	Freehold	-	4,076	1991
SINGAPORE										
6.	90 Cecil Street	Banfora Pte Ltd	2 commercial buildings	796	Commercial Building	44	Leasehold	2980	165,824	1997
7.	10, Jalan Besar 01-03 Sim Lim Tower	RHB Bank Berhad	Ground Floor of office buildings	543	Bank Branch	45	Freehold	-	25,177	1999
8.	14A/B, 16A/B & 18A/B East Coast Road	RHB Bank Berhad	3 units of 3 storey shophouses	442	Bank Branch	65	Freehold	-	13,302	1999
9.	1/1A/1B Yio Chu Kang Road	RHB Bank Berhad	First Floor of office buildings	101	Bank Branch	43	Freehold	-	9,529	1999
10.	No. 537/539 Geylang Road	RHB Bank Berhad	3 storey shophouses	374	Bank Branch	100	Freehold	-	9,040	1999

Notice of 58th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 58th 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, Level 2, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Friday, 10 May 2024, at 9.30 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 2023 and the Directors’ and Auditors’ Reports thereon. | (Please refer to Explanatory Note 1) |
| 2. | 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 Ahmad Badri Mohd Zahir | Ordinary Resolution 1 |
| | (ii) Datuk Iain John Lo | Ordinary Resolution 2 |
| | (iii) Mr Lim Cheng Teck | Ordinary Resolution 3 |
| 3. | To re-elect the following Directors who retire pursuant to Clause 98 of the Company’s Constitution and being eligible, offer themselves for re-election: | |
| | (i) Puan Hijah Arifakh Othman | Ordinary Resolution 4 |
| | (ii) Puan Nadzirah Abd Rashid | Ordinary Resolution 5 |
| 4. | To approve the payment of Directors’ fees and Board Committees’ allowances to the Non-Executive Directors for the period from the 58 th AGM to the 59 th AGM of the Company. | Ordinary Resolution 6 |
| 5. | To approve the payment of Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) of an amount up to RM2,400,000.00 to the Non-Executive Directors for the period from the 58 th AGM to the 59 th AGM of the Company. | Ordinary Resolution 7 |
| 6. | To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 59 th AGM of the Company, at a remuneration to be determined by the Directors. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions:

- | | | |
|----|--|------------------------------|
| 7. | AUTHORITY FOR DIRECTORS TO ISSUE SHARES | Ordinary Resolution 9 |
|----|--|------------------------------|

“**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 (excluding treasury shares) (“**New Shares**”) 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 New 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.”

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 14(e)(i) of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued under the authority.”

Notice of 58th Annual General Meeting8. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN THE COMPANY ("RHB BANK SHARES") PURSUANT TO THE DIVIDEND REINVESTMENT PLAN ("DRP") ("DRP SHARES")** Ordinary Resolution 10

"**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.

BY ORDER OF THE BOARD

Azman Shah Md Yaman (LS 0006901) (SSM PC No.: 201908001628)

Filza Zainal Abidin (LS 0008413) (SSM PC No.: 202208000377)

Company Secretaries

Kuala Lumpur
5 April 2024

Notice of 58th Annual General Meeting

NOTES:

Virtual AGM

1. The 58th 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 at <https://meeting.boardroomlimited.my> and registration for the meeting 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 58th AGM in order to register, participate and vote remotely.
2. The Broadcast Venue of the 58th 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 58th 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

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 May 2024 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 58th AGM using the remote participation and electronic voting facilities.
2. A member of the Company entitled to participate and vote remotely at the forthcoming 58th AGM is entitled to appoint one (1) 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 (2) 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 (1) 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 (1) 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 58th AGM or any adjournment thereof.

Notice of 58th Annual General Meeting

Explanatory Notes

1. Item 1 of the Agenda – Audited Financial Statements for Financial Year Ended 31 December 2023

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 Resolutions 1, 2, 3, 4 and 5 – Re-election of Retiring Directors

2.1 Clause 94 of the Company's Constitution provides that one-third ($\frac{1}{3}$) 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 ($\frac{1}{3}$), shall retire by rotation at an AGM of the Company and be eligible for re-election. With the current Board size of 10 which includes Directors who shall retire by virtue of Clause 98 of the Company's Constitution, three (3) Directors are to retire in accordance with Clause 94 of the Company's Constitution.

Tan Sri Ahmad Badri Mohd Zahir, Datuk Iain John Lo and Mr Lim Cheng Teck shall retire in accordance with Clause 94 of the Company's Constitution and are eligible to seek for re-election.

2.2 Clause 98 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following AGM, and shall then eligible for re-election but shall not be taken into account in determining the retirement of Directors by rotation at such meeting.

(a) Puan Hijah Arifakh Othman was appointed as an Independent Non-Executive Director of the Company on 1 June 2023.

(b) Puan Nadzirah Abd Rashid was appointed as an Independent Non-Executive Director of the Company on 15 March 2024.

2.3 The Board Nominating & Remuneration Committee ("BNRC") had assessed each Director via the annual Board Effectiveness Evaluation ("BEE") exercise for assessment period between financial years 2022 and 2023.

(a) The Company undertook a comprehensive assessment of the Board, Board Committees and Individual Directors. The questionnaire for each Director was customized based on the Director's representation of the respective entity's Board and/or Board Committee. The BEE questionnaire was designed based on the principles and governance practices set out in local regulatory standards and requirements, and international good practices.

(b) The annual assessment of the Individual Directors of the Company was conducted based on the relevant performance criteria which include the following:

Part A - Evaluated overall behaviours and culture of the Board and Board Committees. The BEE evaluated the Board as a collective unit based on five (5) dimensions, namely:	Part B - Evaluated individual Board member's contribution to the Board and competencies of each Board member which included:
• Structure, Strategy & Performance	• Balancing Stakeholders • Managing Conflict
• Interaction & Communication	• Cultivating Innovation • Courage
• Boardroom Culture	• Broad Perspective • Managing Ambiguity
• Environmental, Social & Governance	• Strategic Vision • Dedication
• Leadership	• Ensuring Accountability • Situational Adaptability
	• Developing Talent • Independence

(c) The full profile of the Directors up for re-election/re-appointment can be found in RHB Bank Berhad's Integrated Report 2023 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 2023 ("**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.

Notice of 58th Annual General Meeting

2. Ordinary Resolutions 1, 2, 3, 4 and 5 – Re-election of Retiring Directors (continued)

2.4 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 Bank Negara Malaysia (“BNM”) on the tenures of the Directors seeking re-election is still effective under Ordinary Resolutions 1, 2, 3, 4 and 5.

Based on the above, the Board approved that Tan Sri Ahmad Badri Mohd Zahir, Datuk Ian John Lo, Mr. Lim Cheng Teck, Puan Hijah Arifakh Othman and Puan Nadzirah Abd Rashid who retire in accordance with Clause 94 and 98 of the Company’s Constitution are eligible to stand for re-election. These five (5) retiring Directors had abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant Board meeting.

3. Ordinary Resolution 6 – Payment of Directors’ Fees and Board Committees’ Allowances

The Non-Executive Chairman and Non-Executive Directors are entitled to annual Directors’ fees and annual Board Committees’ allowances. The current Directors’ fees and Board Committees’ allowances are as set out below:

No.	Description	Non-Executive Chairman (RM)	Non-Executive Directors/ Members (RM)
1	Annual Directors’ Fees	300,000.00	200,000.00
Annual Board Committees’ Allowances			
2	Board Audit Committee	60,000.00	40,000.00
3	Board Nominating & Remuneration Committee	60,000.00	40,000.00
4	Board Risk Committee	60,000.00	40,000.00
5	Board Credit Committee	60,000.00	40,000.00
6	Board Sustainability Committee	60,000.00	40,000.00

4. Ordinary Resolution 7 – Payment of Directors’ Remuneration (excluding Directors’ Fees and Board Committees’ Allowances) to the Non-Executive Directors

The proposed Directors’ Remuneration (excluding Directors’ fees and Board Committees’ allowances) comprises the allowances and other emoluments payable to Non-Executive Directors. The current remuneration policy is as set out below:

No.	Description	Non-Executive Chairman (RM)	Non-Executive Directors/ Members (RM)
1	Monthly Fixed Allowance ^(a)	25,000.00	Not Applicable
2	Meeting Allowance (per meeting):		
	(a) Board of the Company	2,000.00	2,000.00
	(b) Board Committees ^(b)	2,000.00	2,000.00
3	Farewell Pot Scheme (for the entire tenure of directorship) ^(c)	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.

Notice of 58th Annual General Meeting

4. Ordinary Resolution 7 – Payment of Directors’ Remuneration (excluding Directors’ Fees and Board Committees’ Allowances) to the Non-Executive Directors (continued)

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 6 and 7 have been passed at the 58th 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 8 – Re-appointment of Auditors

The Board Audit Committee (“BAC”) had, on 18 January 2024, 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 re-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 2024. The Board had, on 26 January 2024, approved the recommendation for shareholders’ approval to be sought at the 58th AGM of the Company on the re-appointment of Messrs. PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2024, under Ordinary Resolution 8.

6. Ordinary Resolution 9 – Authority for Directors to Issue Shares

The proposed Ordinary Resolution 9 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%¹ of the total number of issued shares of the Company (excluding treasury shares) 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.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 14(e)(i) of the Company’s Constitution, the shareholders to waive their statutory pre-emptive rights to be offered any new shares which rank equally to existing shares issued by the Company.

7. Ordinary Resolution 10 – Allotment and Issuance of DRP Shares

The proposed Ordinary Resolution 10 if passed, will give authority to the Directors to allot and issue new RHB Bank Shares pursuant to the DRP in respect of any dividends declared, and such authority shall expire at the conclusion of the next AGM of the Company.

¹ The allocation of 10% includes the amount of up to 2% allotted under the share grant scheme of RHB Bank and its subsidiaries, approved by shareholders at the Extraordinary General Meeting on 27 April 2022.

Statement Accompanying Notice of the 58th AGM of the Company

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

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 58th AGM of the Company.

ANNEXURE A

- (i) No individual is standing for election as a Director at the 58th AGM of the Company (excluding Directors standing for re-election).
- (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 9 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 10 May 2023.

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 58th Annual General Meeting (“**AGM**”) of the Company to be held on a virtual basis at the broadcast venue at Meeting Room, Level 2, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) on Friday, 10 May 2024 at 9.30 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 re-elect the following Directors pursuant to Clause 94 of the Company's Constitution: (i) Tan Sri Ahmad Badri Mohd Zahir		
Ordinary Resolution 2	(ii) Datuk Iain John Lo		
Ordinary Resolution 3	(iii) Mr Lim Cheng Teck		
Ordinary Resolution 4	To re-elect the following Directors pursuant to Clause 98 of the Company's Constitution: (i) Puan Hijah Arifakh Othman		
Ordinary Resolution 5	(ii) Puan Nadzirah Abd Rashid		
Ordinary Resolution 6	To approve the payment of Directors' fees and Board Committees' allowances to the Non-Executive Directors for the period from the 58 th AGM to the 59 th AGM of the Company.		
Ordinary Resolution 7	To approve the payment of Directors' remuneration (excluding Directors' fees and Board Committees' allowances) of an amount up to RM2,400,000.00 to the Non-Executive Directors for the period from the 58 th AGM to the 59 th AGM of the Company.		
Ordinary Resolution 8	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 59 th AGM of the Company, at a remuneration to be determined by the Directors.		
Ordinary Resolution 9	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 10	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 _____, 2024

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 2 May 2024 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 58th AGM using the remote participation and electronic voting facilities.
2. A member of the Company entitled to participate and vote remotely at the forthcoming 58th 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 the 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 at 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 58th 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

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