

RHB BANK BERHAD

Analysts Presentation

H1 2021 Financial Results

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RHB Banking Group
27 August 2021



Agenda

1. Executive Summary
2. H1 2021 Financial Results
3. Strategy Update
4. Sustainability Update
5. Summary and Outlook



Executive Summary

Repayment assistance (RA) updates as of June 2021:

% of Outstanding Loan Balance	Total Approved RA		Outstanding RA			
	As at Jun 2021		As at Mar 2021		As at Jun 2021 ^{N1}	
	RM bil	%	RM bil	%	RM bil	%
Group Retail Banking	17.3	18%	8.3	9%	5.0	5%
Group Business Banking	5.2	17%	3.4	12%	3.5	12%
Group Wholesale Banking	5.1	12%	2.2	5%	2.9	7%
Total Domestic	27.6	16%	13.9	8%	11.4	7%

N1 Outstanding RA as at Jun 2021 excludes the amount applied under PEMERKASA package (which was then enhanced under PEMULIH package in July 2021)

- Outstanding amount under Group Retail further reduced by 40% in Q2 2021
- Outstanding amount under Non-Retail grew in Q2 2021 vs Q1 2021 as there was an increase in RA acceptance from SME and Corporate borrowers
- Consequently, domestic's outstanding RA as at Q2 2021 constituted about 7% of total domestic loans and financing (Q1 2021: 8%)

- We continue to assist our borrowers under the PEMULIH package (w.e.f. 7 July 2021)

% of Outstanding Loan Balance	Moratorium As at Sept 2020		PEMULIH Package ^{N1} As at early-Aug 2021			Of which:			
	RM bil	%	No of accounts	RM bil	%	Existing RA		New RA ^{N2}	
						RM bil	%	RM bil	%
GROUP COMMUNITY BANKING	94.1	82%	294,158	40.0	34%	7.3	7%	32.7	27%
Retail	73.2	78%	281,370	30.4	32%	4.8	6%	25.6	26%
<i>of which:</i>									
Mortgage	50.1	81%	65,644	20.2	31%	3.7	6%	16.5	25%
Unsecured Business	6.8	73%	116,464	3.9	42%	0.3	3%	3.6	39%
Auto Finance	6.1	70%	67,867	2.9	32%	0.3	4%	2.6	28%
Securities	6.3	79%	28,272	2.0	26%	0.3	3%	1.7	23%
SME	21.0	96%	12,788	9.6	42%	2.5	11%	7.1	31%
GROUP WHOLESALE BANKING	12.9	27%	170	7.0	14%	5.3	10%	1.7	4%
Corporate	11.7	28%	48	3.8	9%	3.4	8%	0.4	1%
Commercial	1.2	19%	122	3.2	46%	1.9	27%	1.3	19%
TOTAL DOMESTIC	107.1	66%	294,328	47.0	28%	12.6	7%	34.4	21%

N1 PEMULIH package for Retail, SME and Commercial, & RA for Corporate borrowers

N2 New borrowers who opted for PEMULIH package for Retail, SME and Commercial; and RA for Corporate borrowers

Analysis on outstanding RA^{N1} by RA options

- For Retail, SME and Commercial, most of the borrowers opted for deferment of instalments whilst majority of Corporate borrowers are under R&R / reduction in instalments:

% of Outstanding RA (early-Aug 2021) ^{N1}				
RA by options	Retail	SME	Corporate	Commercial
Reduction in instalments	2%	29%	88%	19%
Deferment of instalments	98%	71%	12%	81%

Analysis on outstanding RA^{N1} by risk profile

- Based on the following risk profile analysis, most of the borrowers are under “Low” risk category
- As of early-August, “High” risk constitutes only 3% of Retail borrowers and ranges between 9%-36% for Non-Retail

% of Outstanding RA (end-Mar 2021)			
Risk Category	Retail	GBB ^{N2}	Corporate
Low	71%	13%	14%
Fair	-	33%	41%
Medium	23%	44%	16%
High	5%	10%	29%
	100%	100%	100%

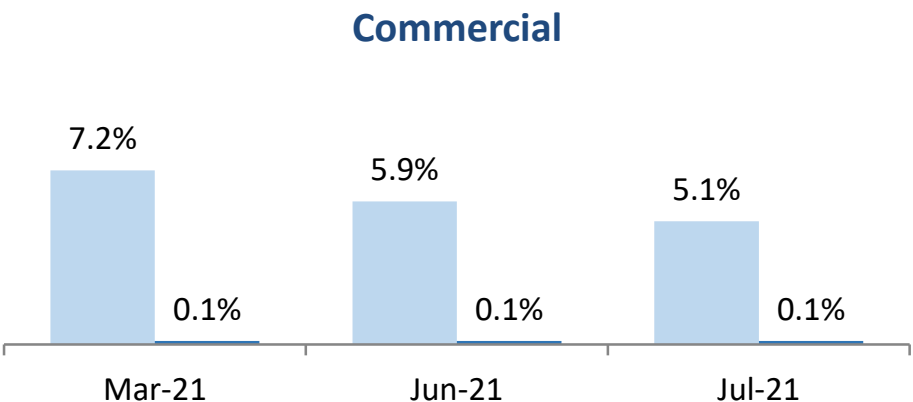
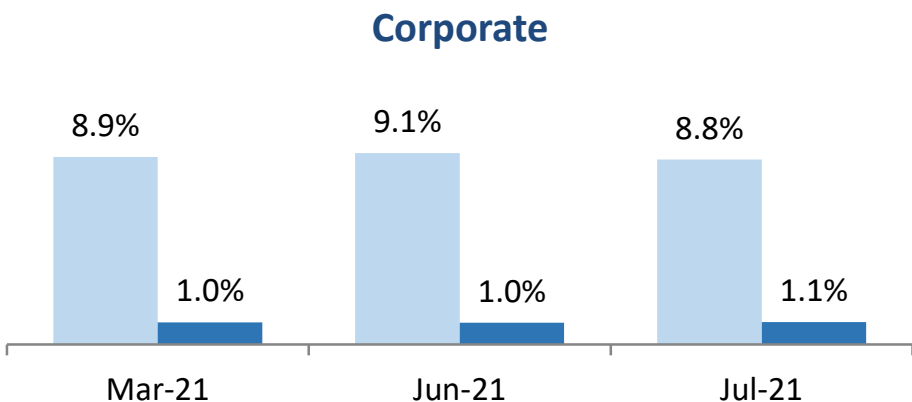
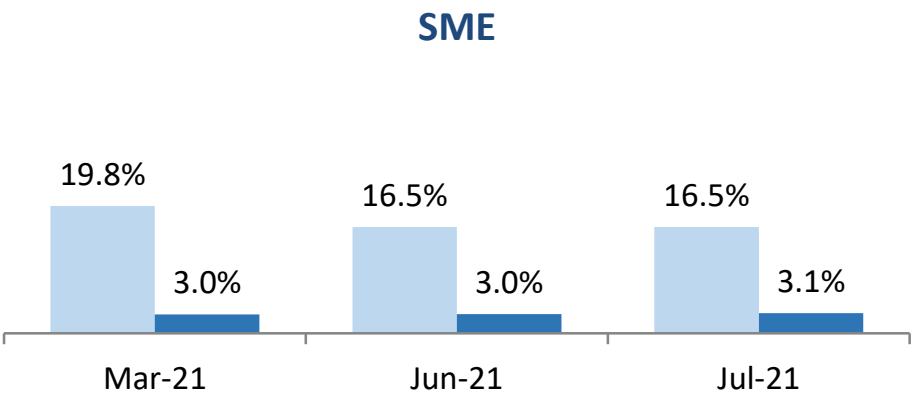
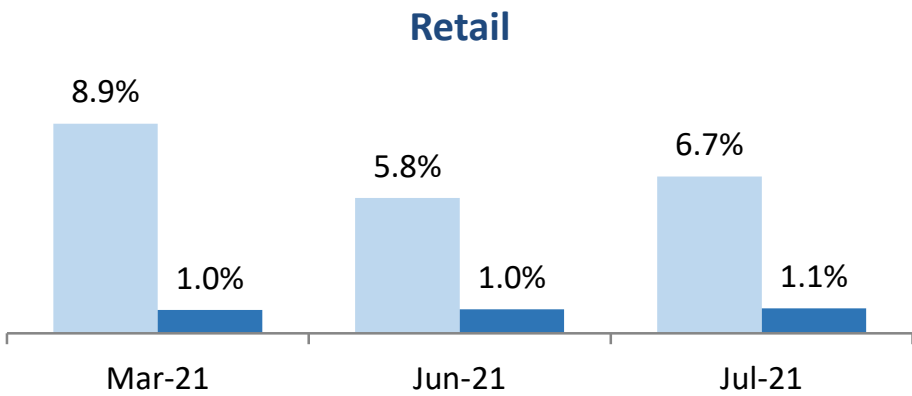
% of Outstanding RA (early-Aug 2021) ^{N1}				
Risk Category	Retail	SME	Corporate	Commercial
Low	82%	71%	64%	91%
Medium	15%	-	-	-
High	3%	29%	36%	9%
	100%	100%	100%	100%

N1 PEMULIH package for Retail, SME and Commercial, & RA for Corporate borrowers

N2 Group Business Banking = SME and Commercial

Analysis on Total Loans by Stage 2 and 3

- For Retail, lower outstanding RA from RM8.3 bil in Mar’21 to RM5.0 bil in Jun’21 resulted in an improvement in Stage 2 loans.
 - Stage 2 in July increased in line with the PEMULIH assistance programme which took effect on 7 July 2021
- Stage 2 loans for Non-Retail improved between March and July (except for Corporate which increased slightly in June)
- Stage 3 loans remained benign



■ Gross Loans – Stage 2 (Total Loans) ■ Gross Loans – Stage 3 (Total Loans)

Profitability

Year-on-year

- **Net fund based income** grew 12.8% Y-o-Y to RM2,815.5 million (normalised for ML impact) mainly due to proactive funding cost management
- **Non-fund based income** declined 5.6% Y-o-Y mainly from lower net trading and investment income, despite higher capital market, brokerage, wealth management and commercial banking fee income
- **Operating expenses** rose by 6.4% Y-o-Y to RM1,749.6 million. With positive JAWS, normalised CIR further improved to 44.5% (normalised H1 2020: 44.7%)
- **Operating profit before allowances** increased 7.2% to RM2,182.8 million on a normalised basis
- **Allowances for ECL** increased by 13.3% Y-o-Y to RM401.2 million. Credit cost at 0.42% (H1 2020: 0.40%)
- **Net profit** excluding ML impact stood at RM1,354.6 million (+5.5% Y-o-Y) compared with RM1,283.4 million in H1 2020
- **ROE** at 9.9% (H1 2020: 7.4%). On a normalised basis, ROE at 10.0% (H1 2020: 9.6%)

Assets and Liabilities

- **Gross loans and financing** grew 5.7% Y-o-Y to RM191.0 billion, attributed to growth in mortgage, auto finance, SME and Singapore. Domestic loans expanded 4.1% Y-o-Y, exceeding industry growth
- **Total customer deposits** increased 8.1% Y-o-Y to RM215.6 billion supported by growth in CASA (10.8%), and fixed and money market time deposits (7.6%). CASA made up 29.3% of total deposits (30.6% in Q1 2021; 30.9% in Q4 2020)
- **Gross impaired loans (GIL)** ratio improved to 1.63% (1.66% in Q1 2021; 1.71% in Q4 2020)
- **LLC excluding regulatory reserve** strengthened to 124.1% (119.5% in Q1 2021; 119.7% in Q4 2020)

Capital and Liquidity

Strong capital and liquidity position

- Group CET 1 ratio at 16.8% (15.6% in Q1 2021; 16.2% in Q4 2020) and total capital ratio at 19.3% (17.7% in Q1 2021; 18.4% in Q4 2020)
- Bank entity CET 1 ratio at 15.8% (14.3% in Q1 2021; 14.6% in Q4 2020) and total capital ratio at 18.6% (16.5% in Q1 2021; 16.9% in Q4 2020)
- Healthy liquidity coverage ratio of 141.8% (153.9% in Q1 2021; 146.9% in Q4 2020)

Dividend

Interim Dividend

- Declared interim dividend of 15.0 sen per share, representing 45.1% payout ratio
 - Cash payout of 5.0 sen per share and an electable portion under Dividend Reinvestment Plan of 10.0 sen per share

Top Level Indicators	Target FY2021	Actual H1 2021
ROE	9.0%	9.9% [10.0%] ^{N1}
Annualised Loans Growth	4%-5%	5.3%
CASA Composition	30.0%	29.3%
Gross Impaired Loans Ratio	<2.00%	1.63%
Cost-to-Income Ratio	≤46.5%	44.5% [44.5%] ^{N2}

N1 Excluding ML impact

N2 Excluding ML impact, normalised CIR further improved by 4bps




H1 2021 Financial Results


Resilient H1 2021 performance driven by higher net fund based income; Maintained positive JAWS; Slight uptick in credit charge ratio

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Financial Results ^{N1}

Total Income
 **+6.9%**

H1 2021: RM3.93 bil
 H1 2020: RM3.68 bil

Operating Profit Before Allowances
 **+7.2%**

H1 2021: RM2.18 bil
 H1 2020: RM2.04 bil


Profit Before Tax
 **+6.5%**

H1 2021: RM1.78 bil
 H1 2020: RM1.67 bil


Net Profit to Shareholders
 **+5.5%**

H1 2021: RM1.35 bil
 H1 2020: RM1.28 bil


Profitability Ratios ^{N1}

Return on Equity
 **+0.4%**

H1 2021: 10.0%
 H1 2020: 9.6%

Cost-to-Income Ratio
 **-0.2%**

H1 2021: 44.5%
 H1 2020: 44.7%


Non-Fund Based/ Total Income
 **-3.8%**

H1 2021: 28.4%
 H1 2020: 32.2%


Financial Position

Total Assets
 **+4.1%**

Jun 2021: RM282.3 bil
 Dec 2020: RM271.1 bil

Gross Loan
 **+2.6%**

Jun 2021: RM191.0 bil
 Dec 2020: RM186.1 bil


Customer Deposits
 **+6.0%**

Jun 2021: RM215.6 bil
 Dec 2020: RM203.5 bil

Shareholders' Equity
 **+1.8%**

Jun 2021: RM27.5 bil
 Dec 2020: RM27.0 bil


Asset Quality

Stage 2 Loans Ratio
 **-2.93%**

Jun 2021: 8.27%
 Dec 2020: 11.20%

Group GIL Ratio
 **-0.08%**


Jun 2021: 1.63%
 Dec 2020: 1.71%

Domestic GIL Ratio
 **-0.06%**


Jun 2021: 1.29%
 Dec 2020: 1.35%

CASA
 **+0.5%**


Jun 2021: RM63.1 bil
 Dec 2020: RM62.8 bil

CASA Ratio
 **-1.6%**


Jun 2021: 29.3%
 Dec 2020: 30.9%

Liquidity Coverage Ratio
 **-5.1%**

Jun 2021: 141.8%
 Dec 2020: 146.9%

Credit Charge Ratio
 **+0.02%**

H1 2021: 0.42%
 H1 2020: 0.40%

Loan Loss Coverage Ratio ^{N2}
 **+4.4%**

Jun 2021: 124.1%
 Dec 2020: 119.7%



^{N1} Financial Results & Profitability Ratios are based on normalised results

^{N2} Loan Loss Coverage ratio excluding regulatory reserve

Q2 profit growth: Q-o-Q from higher income and lower OPEX while Y-o-Y due to higher net fund based income and absence of ML; Both Q-o-Q and Y-o-Y impacted by higher ECL

RM' mil	Q2 2020	Q1 2021	Q2 2021	Q-o-Q	Y-o-Y	H1 2020	H1 2021	Y-o-Y
Total Net Fund Based Income (A)	1,237.8	1,417.0	1,431.9	1.1%	15.7%	2,496.6	2,848.9	14.1%
of which : Unwinding of Modification Loss	-	33.4	-	-	-	-	33.4	-
Total Non-Fund Based Income (B)	712.9	543.2	573.6	5.6%	-19.5%	1,183.4	1,116.8	-5.6%
Net Modification Loss (C)	-392.4	-37.3	-	-	-	-392.4	-37.3	-90.5%
Total Income (A+B+C)	1,558.3	1,922.9	2,005.5	4.3%	28.7%	3,287.6	3,928.4	19.5%
Operating Expenses	-826.4	-885.1	-864.5	-2.3%	4.6%	-1,643.6	-1,749.6	6.4%
Operating Profit Before Allowances	731.9	1,037.9	1,141.0	9.9%	55.9%	1,644.0	2,178.9	32.5%
Allowance for Credit Losses on Financial Assets	-203.4	-173.9	-227.3	30.7%	11.8%	-354.1	-401.2	13.3%
Impairment Losses Made on Other Non-Financial Assets	-9.5	-	-0.3	-	-96.8%	-9.5	-0.3	-96.8%
Profit Before Taxation	519.0	864.0	913.4	5.7%	76.0%	1,280.3	1,777.4	38.8%
Profit from Continuing Operations	408.3	650.6	703.5	8.1%	72.3%	989.4	1,354.1	36.9%
Loss from Discontinued Operation	-4.6	-	-	-	-	-13.5	-	-
Net Profit for the Financial Period	403.7	650.6	703.5	8.1%	74.3%	975.8	1,354.1	38.8%
Net Profit Attributable to Equity Holders	400.8	650.3	701.3	7.8%	75.0%	971.7	1,351.6	39.1%
Earnings Per Share (sen)	10.0	16.2	17.5	8.0%	75.0%	24.2	33.7	39.1%

Underlying H1 2021 profit aided by higher income but partly offset by higher OPEX and ECL

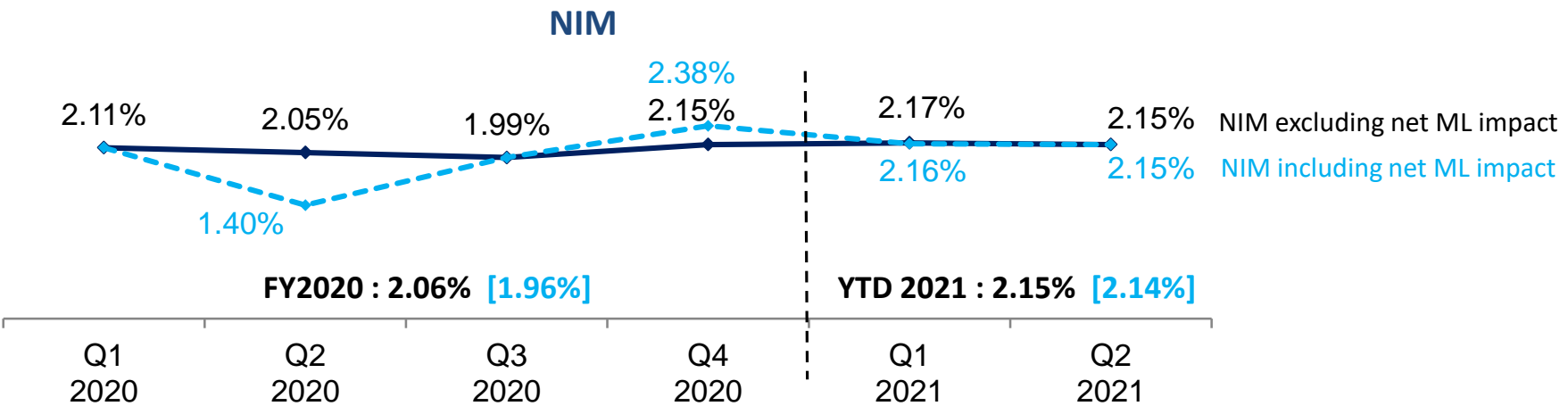
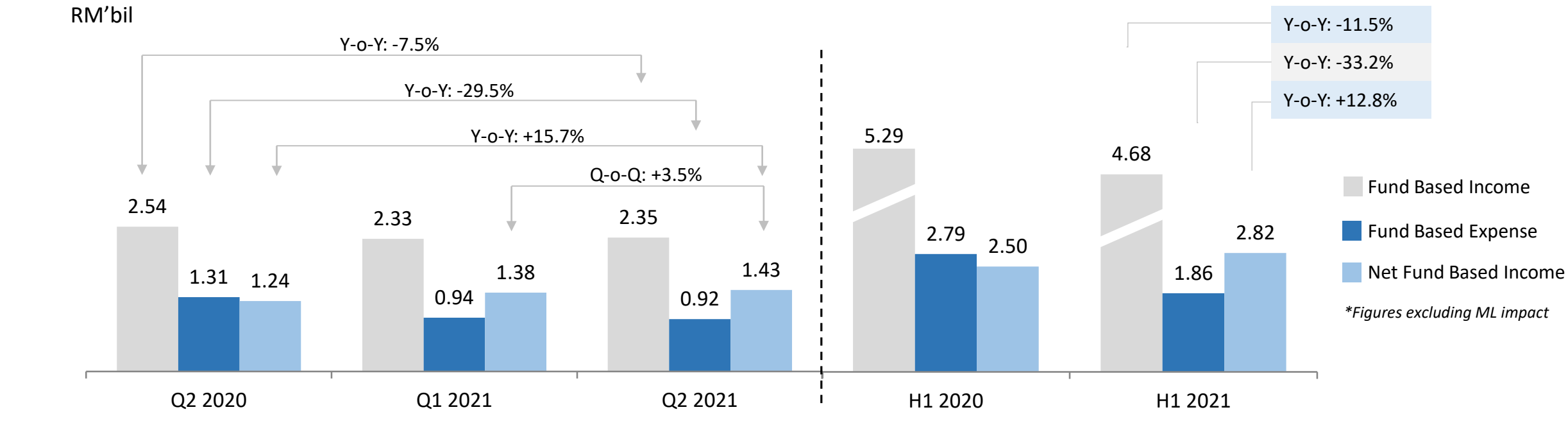
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RM' mil	Q2 2020	Q1 2021	Q2 2021	Q-o-Q	Y-o-Y	H1 2020	H1 2021	Y-o-Y
Total Income (A)	1,558.3	1,922.9	2,005.5	4.3%	28.7%	3,287.6	3,928.4	19.5%
Less: Unwinding of Modification Loss (B)	-	-33.4	-	-	-	-	-33.4	-
Add back: Net Modification Loss (C)	392.4	37.3	-	-	-	392.4	37.3	-90.5%
Normalised Total Income (A+B+C)	1,950.7	1,926.8	2,005.5	4.1%	2.8%	3,680.0	3,932.3	6.9%
Operating Expenses	-826.4	-885.1	-864.5	-2.3%	4.6%	-1,643.6	-1,749.6	6.4%
Operating Profit Before Allowances	731.9	1,037.9	1,141.0	9.9%	55.9%	1,644.0	2,178.9	32.5%
Normalised Op. Profit Before Allowances	1,124.3	1,041.8	1,141.0	9.5%	1.5%	2,036.4	2,182.8	7.2%
Allowance for Credit Losses on Financial Assets	-203.4	-173.9	-227.3	30.7%	11.8%	-354.1	-401.2	13.3%
Impairment Losses Made on Other Non-Financial Assets	-9.5	-	-0.3	-	-96.8%	-9.5	-0.3	-96.8%
Profit Before Taxation	519.0	864.0	913.4	5.7%	76.0%	1,280.3	1,777.4	38.8%
Normalised Profit Before Taxation	911.4	867.9	913.4	5.2%	0.2%	1,672.7	1,781.3	6.5%
Net Profit	400.8	650.3	701.3	7.8%	75.0%	971.7	1,351.6	39.1%
Normalised Net Profit *	703.6	653.3	701.3	7.3%	-0.3%	1,283.4	1,354.6	5.5%
Cost-to-Income Ratio						50.0%	44.5%	-5.5%
Normalised Cost-to-Income Ratio						44.7%	44.5%	-0.2%
ROE						7.4%	9.9%	2.5%
Normalised ROE						9.6%	10.0%	0.4%

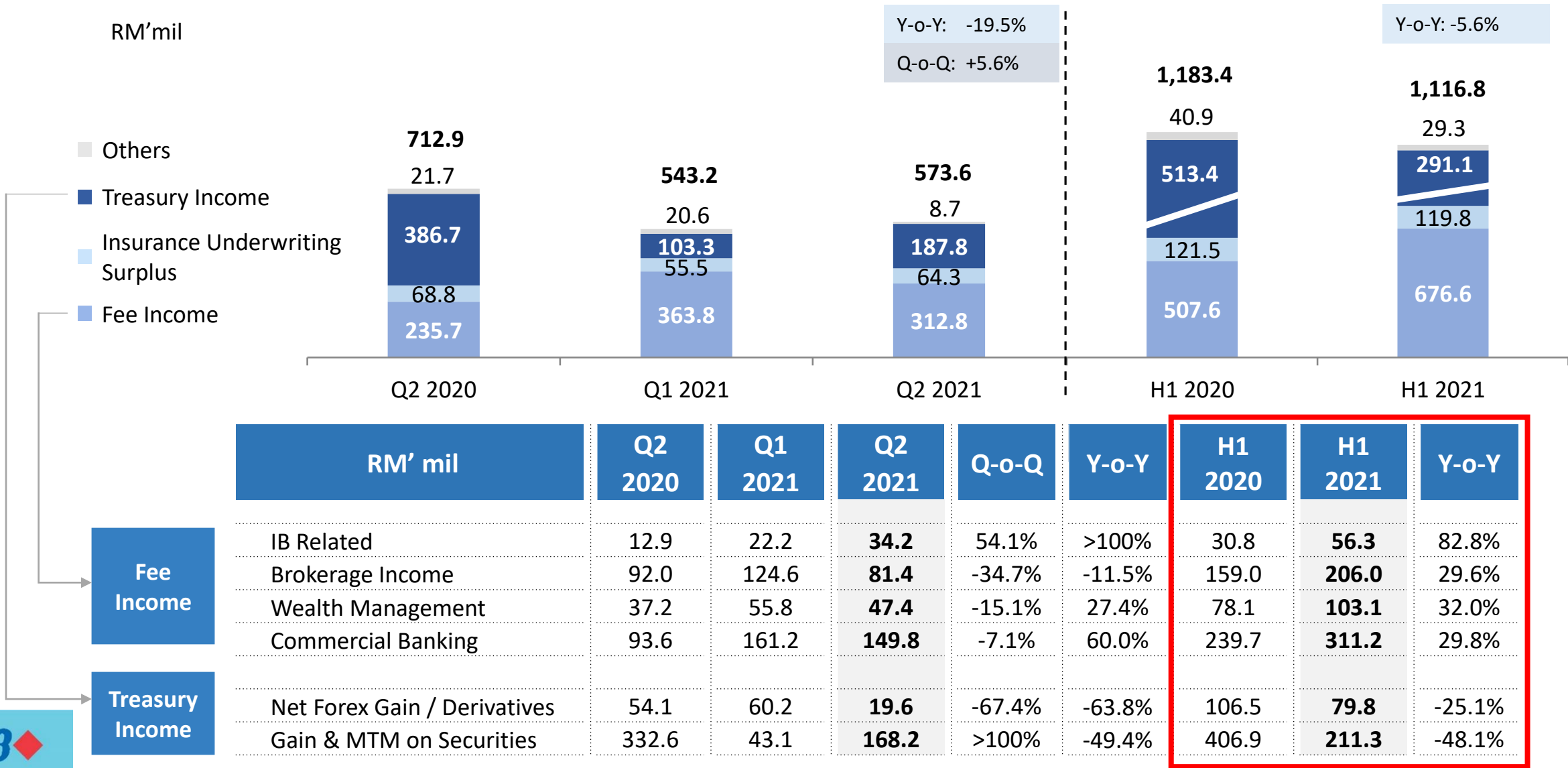
* Normalised for ML impact and loss from discontinued operation

Net fund based income grew 12.8% Y-o-Y mainly due to proactive funding cost management;
NIM dipped marginally to 2.15%

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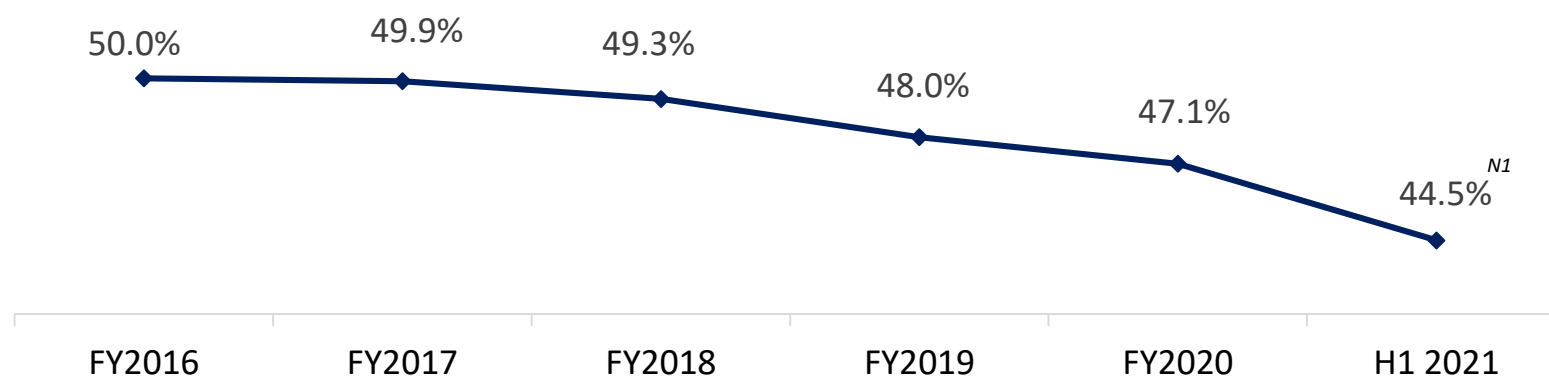
Non-fund based income declined 5.6% Y-o-Y primarily from lower treasury income despite higher capital market, brokerage, wealth management and commercial banking fee income



Operating expenses grew by 6.4% Y-o-Y mainly from higher personnel costs; Maintained positive JAWS; CIR improved Y-o-Y to 44.5%

RM' mil	Q2 2020	Q1 2021	Q2 2021	Q-o-Q	Y-o-Y	H1 2020	H1 2021	Y-o-Y
Personnel Costs	508.1	552.3	528.7	-4.3%	4.1%	1,011.9	1,081.1	6.8%
Establishment Costs	186.2	187.5	188.8	0.7%	1.4%	370.5	376.3	1.6%
of which: IT Expenses	65.9	68.7	69.0	0.4%	4.7%	129.4	137.7	6.4%
Marketing Expenses	46.5	65.8	53.5	-18.7%	15.1%	98.2	119.4	21.6%
Administration & General Expenses	85.6	79.5	93.5	17.6%	9.2%	163.0	172.8	6.0%
Total	826.4	885.1	864.5	-2.3%	4.6%	1,643.6	1,749.6	6.4%
CIR (%)	53.0	46.0	43.1			50.0	44.5	

CIR



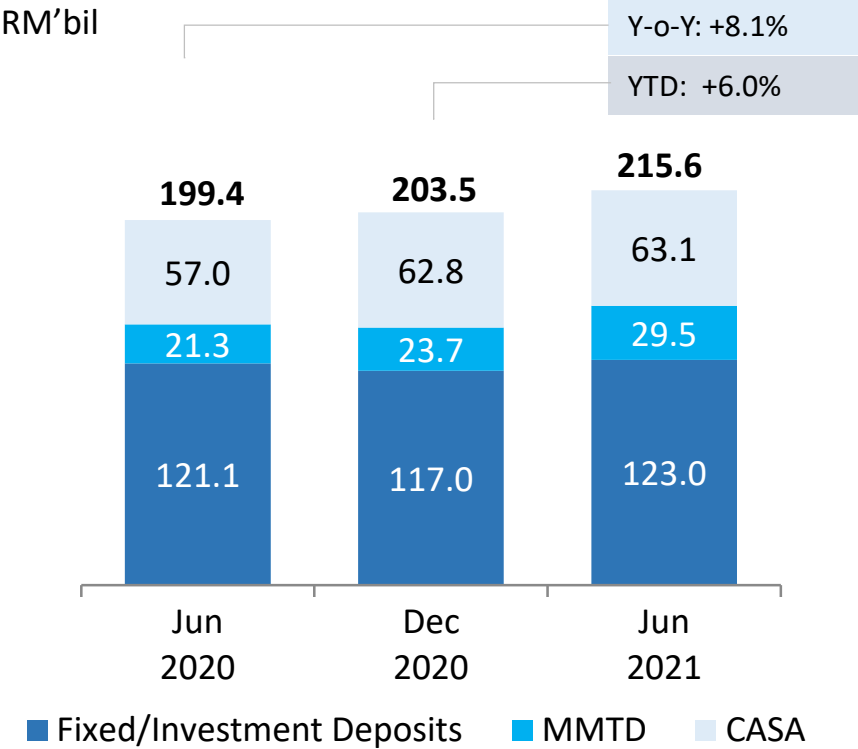
N1 Excluding ML impact, normalised CIR was further reduced by 4bps

Loans grew 5.7% Y-o-Y led mainly by mortgage, auto finance, SME and Singapore;
Domestic loans grew 4.1% Y-o-Y, exceeding industry growth

RM'mil	Jun 2020	Dec 2020	Jun 2021	YTD	Y-o-Y
GROUP RETAIL BANKING	90,556	94,973	96,364	1.5%	6.4%
Mortgage	60,346	63,083	65,148	3.3%	8.0%
Commercial Property Financing	4,710	4,673	4,554	-2.5%	-3.3%
Securities	7,642	7,996	7,553	-5.5%	-1.2%
Auto Finance	8,137	8,952	9,195	2.7%	13.0%
Unsecured Business	8,900	9,515	9,205	-3.3%	3.4%
Others	821	754	709	-6.0%	-13.6%
GROUP BUSINESS BANKING	27,281	28,690	29,758	3.7%	9.1%
SME	20,897	22,003	22,854	3.9%	9.4%
Commercial	6,384	6,687	6,904	3.2%	8.1%
GROUP WHOLESALE BANKING	43,382	42,434	41,630	-1.9%	-4.0%
TOTAL RHB DOMESTIC	161,219	166,097	167,752	1.0%	4.1%
OVERSEAS OPERATIONS	19,531	20,017	23,260	16.2%	19.1%
Singapore	14,900	15,568	18,578	19.3%	24.7%
Others	4,631	4,449	4,682	5.2%	1.1%
TOTAL RHB GROUP	180,750	186,114	191,012	2.6%	5.7%

Total deposits grew 8.1% Y-o-Y attributed to growth in CASA, FD and MMTD; CASA ratio remained healthy at 29.3%

Customer Deposits

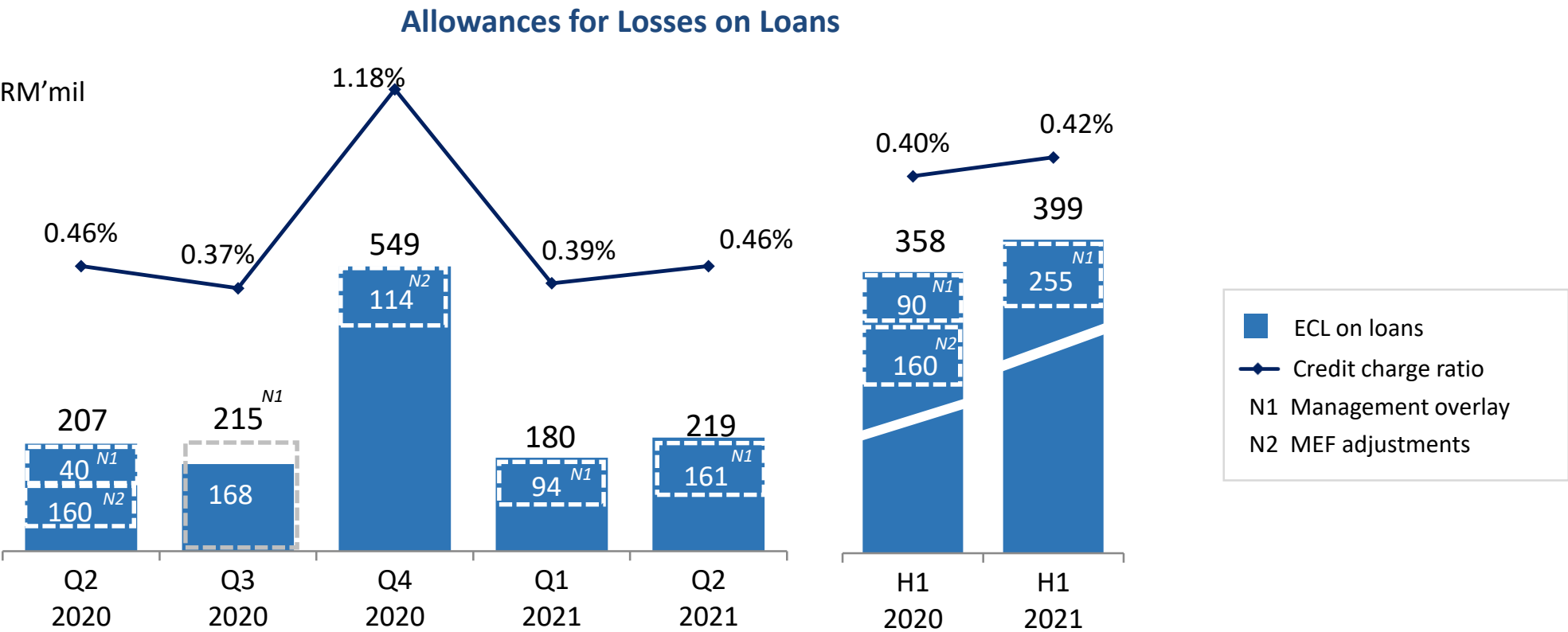


LDR	90.7%	91.5%	88.6%
LCR	141.5%	146.9%	141.8%

CASA by Segment

RM'bil	Jun 2020	Dec 2020	Jun 2021	YTD	Y-o-Y
Retail Banking	19.6	20.7	22.9	10.8%	17.3%
Business Banking	15.3	17.0	18.0	5.9%	17.3%
Wholesale Banking	11.6	12.8	9.9	-22.7%	-14.8%
Total RHB Domestic	46.5	50.5	50.8	0.7%	9.3%
Overseas	10.4	12.3	12.3	-	17.7%
Total RHB Group	56.9	62.8	63.1	0.5%	10.8%

CASA Ratio	28.6%	30.9%	29.3%
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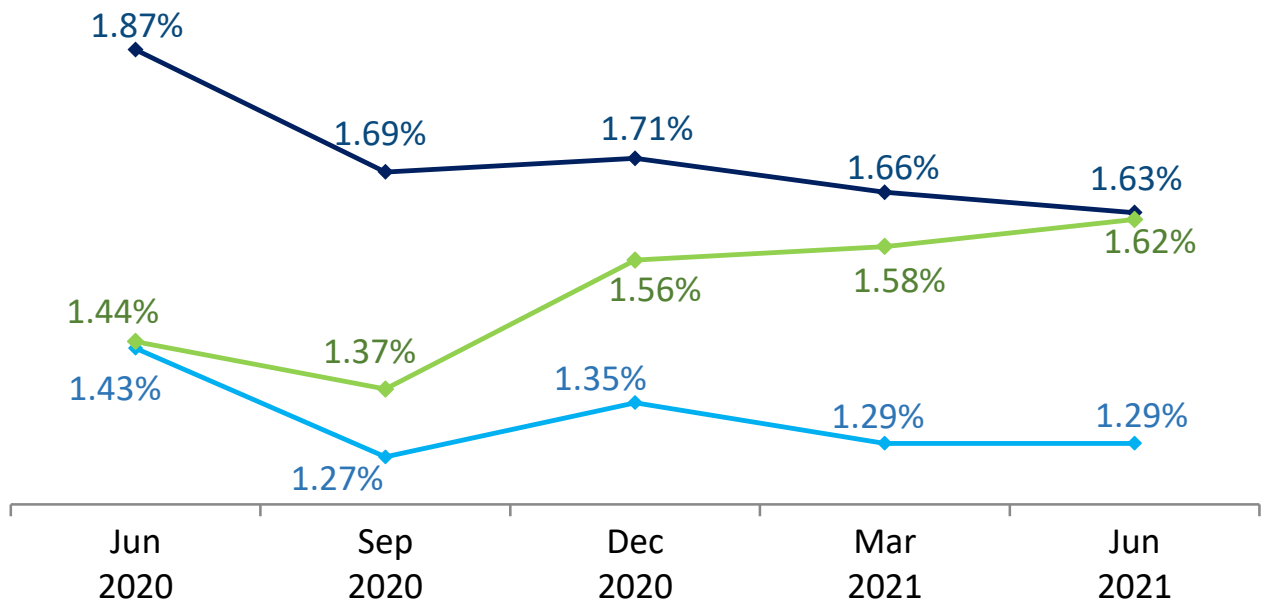


ECL staging composition:

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Stage 1	25%	30%	21%	24%	28%
Stage 2	28%	27%	36%	36%	33%
Stage 3	48%	43%	42%	40%	38%

Gross Impaired Loans

7.66%	7.45%	11.20%	10.45%	8.27%
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LLC ^{N1}	94.3%	108.3%	119.7%	119.5%	124.1%
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N1: Excluding 1.0% regulatory reserve

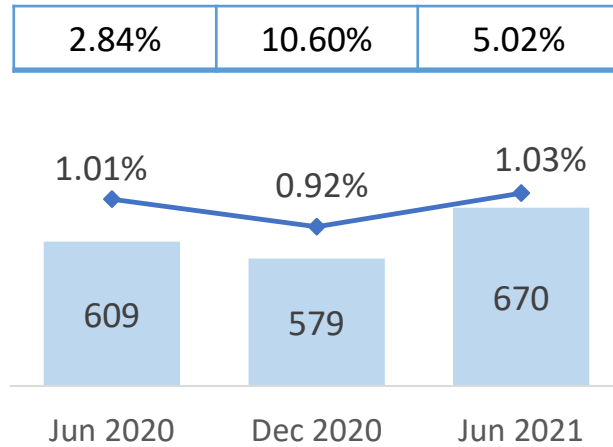
Uptick in GIL ratio for mortgage, unsecured business and GBB; Lower GIL for Corporate due to write-offs; asset quality will continue to be closely monitored during the moratorium

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Retail Banking

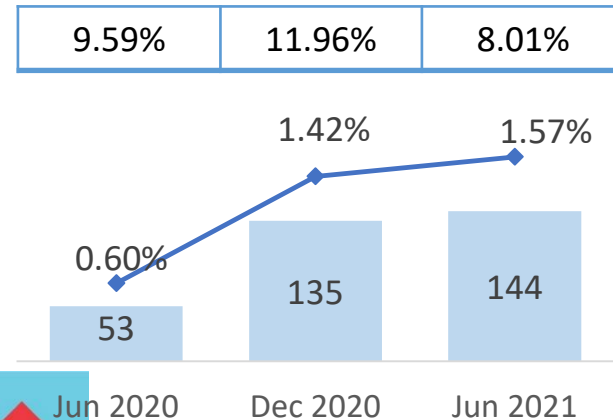
Mortgage

RM'mil



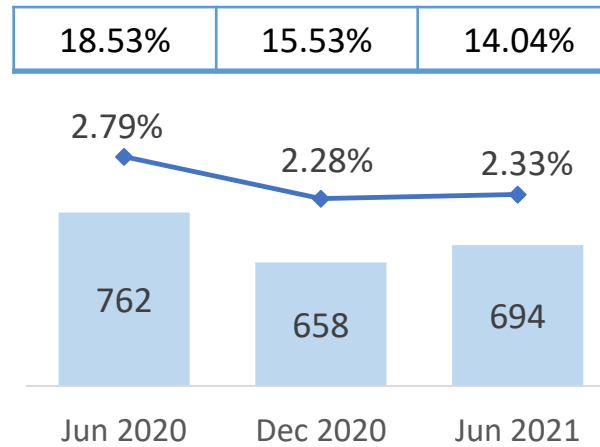
Unsecured

RM'mil

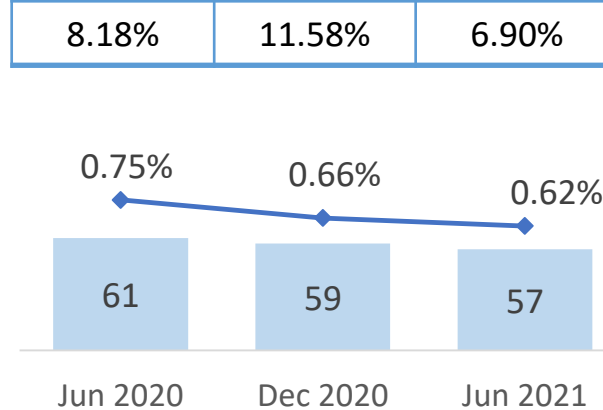


Business Banking

GBB

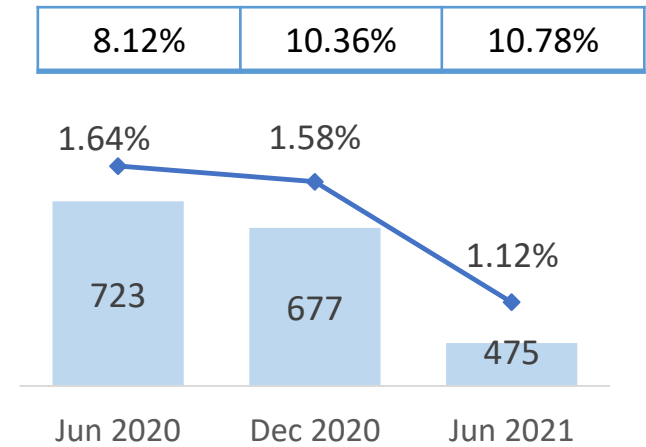


Auto Finance



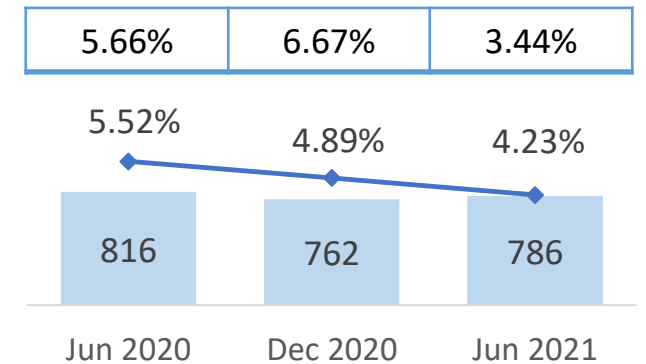
Wholesale Banking

Corporate

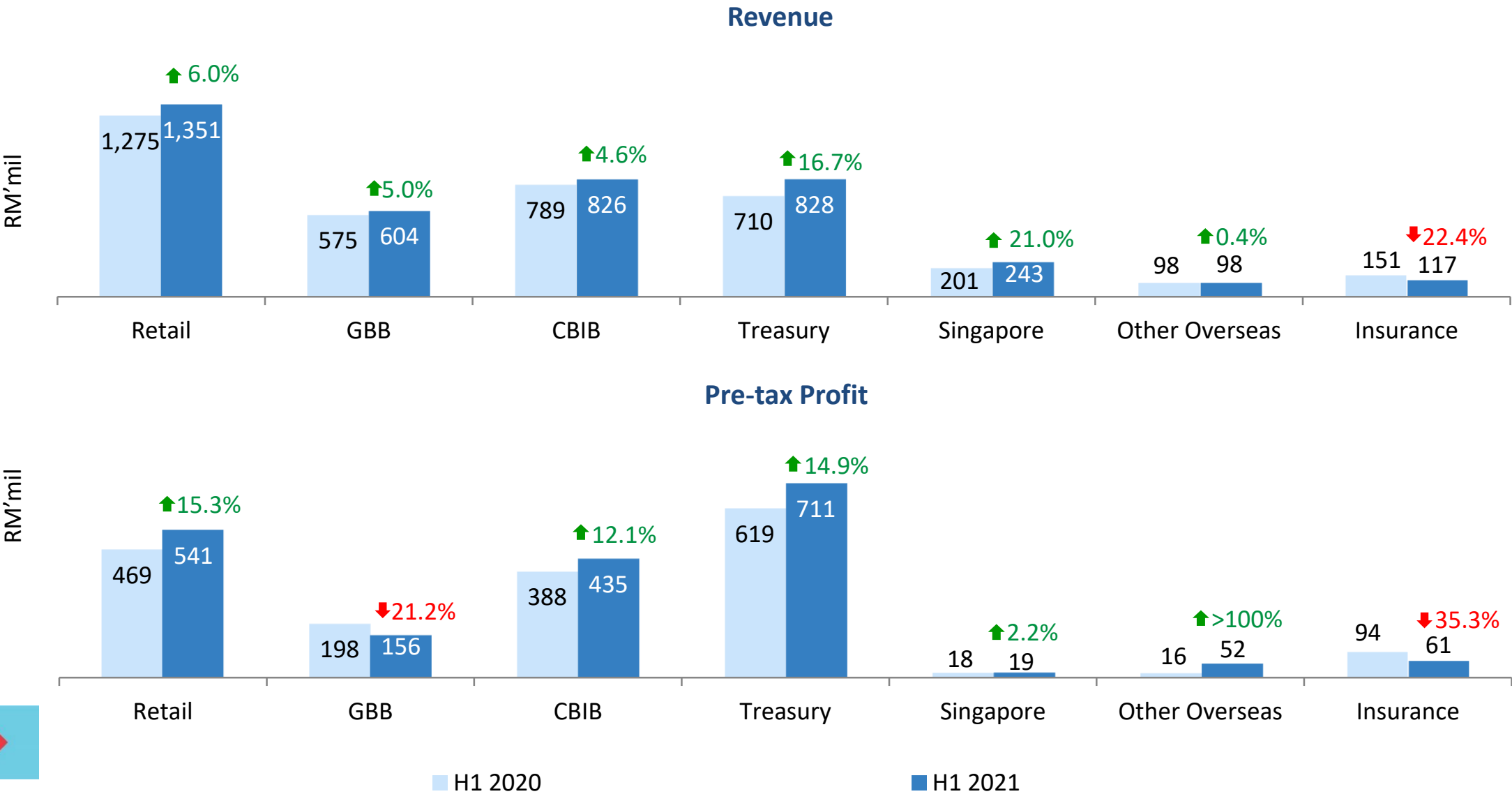


Overseas

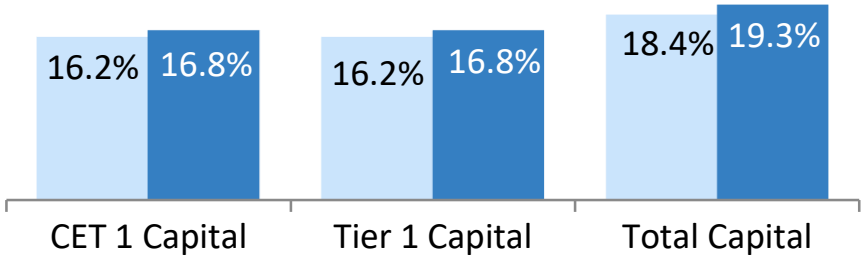
Singapore (Bank)



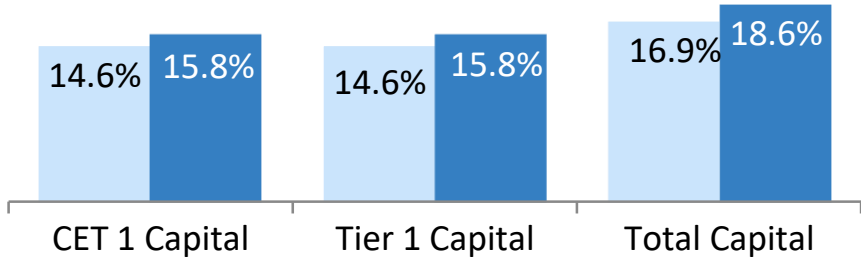
Profit grew in most business segments – Retail, CBIB, Treasury and Overseas; GBB impacted by higher ECL; Insurance weakened from MTM on securities’ losses



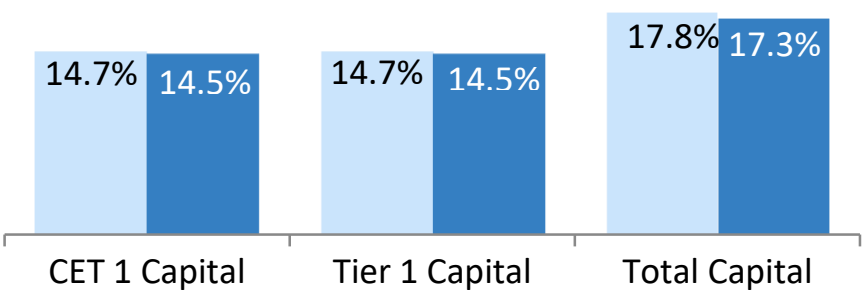
RHB Bank Group



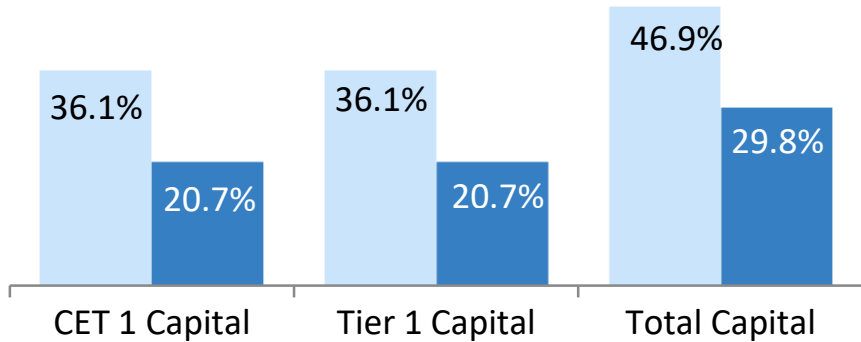
RHB Bank



RHB Islamic Bank



RHB Investment Bank



Dec 2020^{N1}
Jun 2021^{N2}

Notes for Group and Bank capital ratios:

N1 Dec 2020 ratios are based on FY2020 final dividend (excluding DRP of 87.65%)

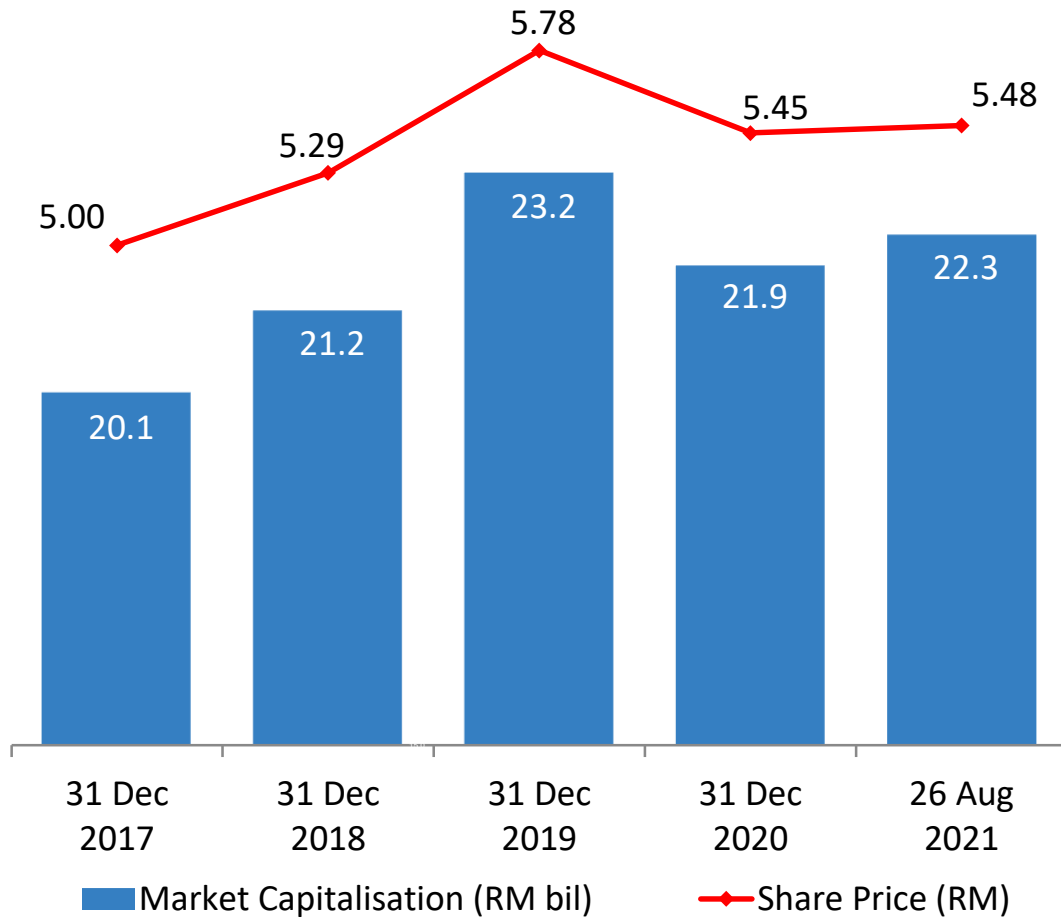
N2 Jun 2021 ratios are based proposed interim dividend of 15.0 sen per share; 5.0 sen in cash payout and 50% of electable portion under DRP of 10.0 sen per share



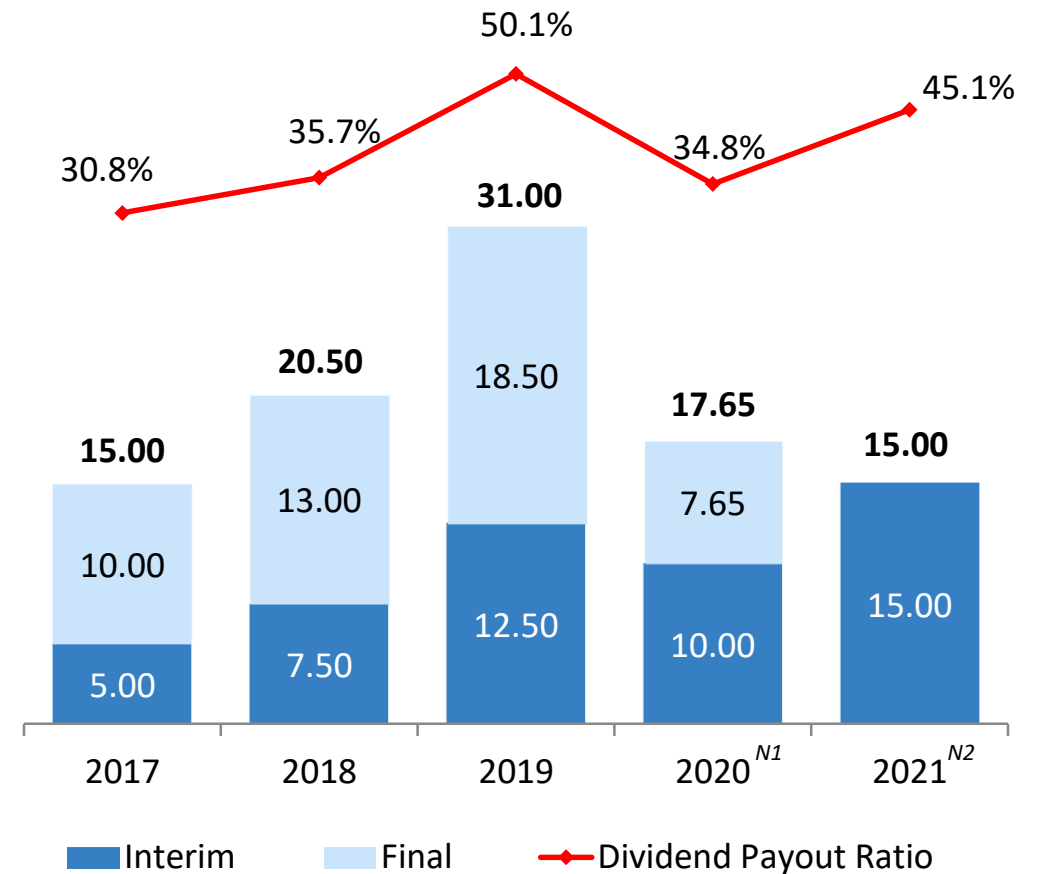
Declared interim dividend of 15.0 sen per share with 5.0 sen cash and 10.0 sen subject to DRP; representing 45.1% payout ratio, our highest ever for an interim

25

Market Capitalisation



Dividend Per Share (sen)



N1 2020 Dividend: With DRP of 87.65% for final dividend, net payout ratio for FY2020 was 21.6%

N2 2021 Interim Dividend: comprises of cash payout of 5.0 sen per share and an electable portion under DRP of 10.0 sen per share

Dividend Policy

Minimum dividend payout ratio of 30% of net profit

3

Strategy Update

Fund Our Journey

Affluent	<ul style="list-style-type: none"> Premier Banking customers increased to 81.9k (+3.3% from Dec 2020), of which 33.9% are SME owners Total AUM of Premier customers grew to RM41.9 bil (+5.0% from Dec 2020) Affluent fee income grew to RM123.5 mil (+79.0% from Jun 2020)
SME	<ul style="list-style-type: none"> Deposits increased to RM35.7 bil (+9.3% from Dec 2020) Loans grew to RM29.8 bil (+3.7% from Dec 2020) Total SME customers grew to 209,410 (+0.6% from Dec 2020), of which 11.8% are borrowing customers
Large Cap	<ul style="list-style-type: none"> 55.7% share of wallet in fee income of large-cap companies Penetration rate of large cap companies maintained at 84.4%
Mid Cap	<ul style="list-style-type: none"> 13.0% share of wallet in fee income of mid-cap companies Penetration rate of mid-cap companies maintained at 72.4%
Retail Deposits	<ul style="list-style-type: none"> Retail deposits grew to RM69.4 bil (+4.0% from Dec 2020), growth ahead of industry (+2.8%) Retail CASA grew to RM23.0 bil (+10.8% from Dec 2020) Retail LDR improved to 138.9% (-3.4% from Dec 2020)
Singapore	<ul style="list-style-type: none"> Commercial and SME loans grew to SGD2,246 mil (+23.5% from Dec 2020) and Corporate loans increased to SGD2,639 mil (+8.0% from Dec 2020) 68% of Corporate and 54% of Commercial loans exposure are secured
Cambodia	<ul style="list-style-type: none"> Total loans grew to USD628.1 mil (+7.3% from Dec 2020)

Invest to Win

Analytics and Big Data

- Continued to drive business performance via analytics with RM81.4 mil of benefits realised as at Jun 2021
- Increased analytics use cases for 2021, e.g. identifying suitable customers for flexible lending offers, improving conversion rates for financing products and reducing attrition of credit card customers

Digital

- 863,328 customers on-boarded to the RHB Mobile Banking app (+27.1% from Dec 2020)
- Digital transaction has increased to 84% (76% in Dec 2020)
- Launched Smart Interview feature in RHB Financing (SME) mobile app which allows SMEs to complete online financing applications including virtual interviews and site inspections
- Formalised a partnership with Axiata to drive innovation and explore collaboration opportunities, and jointly apply for a digital banking license

Transform the Organisation

Ecosystems

- Total Reflex customers grew to 120,516 (+6.7% from Dec 2020)
- Total eSolutions customers grew to 11,418 (+16.9% from Dec 2020)
- SME Online Financing received a total of 2,107 applications as at Jun 2021, with a 37.5% approval rate. Total loans increased to RM550.8 mil (+62.5% from Dec 2020)
- RHB MyHome acceptance against total Direct Sales Mortgage acceptance increased to 51.9% (up from 39.5% in Dec 2020)
- Contribution of leads from the RHB Partners App increased to 78.9% (up from 68.8% in Dec 2020)

AGILE

- 5,656 staff working under Agile (From 4,377 in Dec 2020)
- 77 MVPs released as at Jun 2021 from Group Retail Banking, Group Business & Transaction Banking, Group Corporate Banking and Group Treasury & Global Markets



- The Group entered into an MoU with Axiata Group on 2 June 2021 to jointly explore potential collaboration opportunities
 - Submitted application to BNM for a digital banking license with an Axiata subsidiary, Boost Holdings on 30 June 2021
- The proposed shareholdings between Boost Holdings and the Group is 60%:40%, subject to BNM's approval
- Rationales behind the partnership:

1 Collaboration with the right partner –
right experience and technology

2 Serve new market segment
(unserved, underserved, unbanked)

3 Potentials - Cross referrals and increase in
customer base

4 Explore other strategic collaborations
and opportunities

4

Sustainability Update

ESG Ratings

FTSE4Good Index Series constituent

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

MSCI ESG Rating

AA

2020: AA(Leader)
2019: AA (Leader)
2018: A (Average)

S&P Global ESG Scores

43/100

2020: 43/100
2019: 23/100



Highlights as at H1 2021

ENHANCED GROUP SUSTAINABILITY GOVERNANCE STRUCTURE

- Set up **Group Sustainability Committee** comprising senior management, chaired by GMD / CEO, to **strategically drive Group’s sustainability and climate agenda**
- Created four (4) **Sustainability Councils** comprising key senior leaders to ensure successful implementation of Group’s sustainability and climate-related matters: (i) Sustainable Banking Council; (ii) ESG Capital Markets and Advisory Council; (iii) Sustainable Insurance Council; and (v) Responsible and Sustainable Practices Council

SUSTAINABLE & RESPONSIBLE BANKING

RM5 billion Green Financing Commitment by 2025 (through lending, capital markets advisory and fundraising, investment)

- RM3.3 bil extended as at Jun-21 of which 20% is for renewable energy projects
- Includes the completed RM58 mil for PNB Merdeka Venture – Green Sukuk

Sustainable Investment / Advisory

- Launched 3 ESG Funds which are Sustainable and Responsible Investment (“SRI”) qualified with total AUM of RM812.2 mil. Target to launch at least 1 more ESG fund by year end
- Sole lead manager for Cagamas RM100 mil Sustainability SRI Commodity Murabahah Sukuk - awarded the Best ASEAN Sustainability SRI Sukuk - Quasi-Sovereign by The Asset Triple A Islamic Finance Awards 2021 for Best in Sustainable Finance deals

Industry Engagement / Capability Building

- Hosted “RHB ESG Forum – Envisioning A Better Future” – the three-day event brought together approximately 300 participants from a diverse group of local and international investors
- Sustainable Finance series – internal capability building programme for employees across the Group to commence in September.

Highlights as at H1 2021

ESG Risk Management

- ESG-related activities identified under Prohibited Credits - implemented across the Group
- ESG Sensitive Sectors for non-retail lending identified, with Industry Specific ESG Risk Assessment (ERA) tool adopted for 8 key sectors - Palm Oil, Oil & Gas, Manufacturing of Iron, Steel & Other Materials, Power Producers, Manufacturing of Cement, Wood, Plastics and Chemicals
- Position on coal activities: With effect from 2022, RHB will not be pursuing opportunities or provide financing for any new thermal coal mine projects and coal fired power plant projects

EMBEDDING GOOD PRACTICES

Diversity and Leadership (Board and Management)

- Maintained 30% female directors on the Board of RHB Bank Berhad; 26.1% for Top and Senior Management as at Jun-21
- Composition of Independent Non-Executive Directors (INED) – 60 % as at 15 March 2021, from 55% as at 16 March 2020

Internal operational footprint

- Recorded 38% lower GHG emissions (Scope 1, 2 and 3)* intensity per employee in 2020 compared to baseline year of 2016

ENRICHING & EMPOWERING COMMUNITIES

Nurturing Future Generations: > RM11.5 million allocated to-date

- > RM 2 mil allocated for RHB X-Cel programme to assist B40 (underprivileged) students achieve academic excellence - benefitting more than 1,400 B40 students annually
- RM4.2 mil allocated for RHB X-Cel Star – a scholarship programme to support 60 B40 students to further their studies at local public universities. To-date 21 scholarships given to 21 B40 students
- RM5 mil contribution for the CERDIK programme – contributed > 3,600 laptops/connectivity devices which benefitted 3,656 B40 students
- RM300k allocated for Money Ma\$ter Programme – a financial literacy programme that has benefitted > 10,000 students

Supporting Communities: > RM4.5 million in humanitarian assistance to the B40s, frontliners, hospitals and RHB employees, since the start of the COVID-19 pandemic



Summary & Outlook

Economic Outlook

- Q2 2021 GDP expanded by 16.1% (Q1 2021: -0.5%) supported by improved economic activities at the beginning of Q2 2021 and low base effect from economic slowdowns in Q2 2020
- Accelerated pace of vaccination is expected to support economic recovery, but downside risk remains
- The banking industry is expected to remain resilient with loans growth forecast of 3.4% in 2021

Income & Cost Mangement

- Net fund based income - OPR expected to remain stable for the rest of the year
- Non-fund based income
 - Expect volatility in investment and trading income to persist; monitor timing to build FVOCI portfolio
- Continue to monitor spending closely; CIR expected to be $\leq 46.5\%$

Loans & Deposits

- Loans growth will be impacted by the prolonged lockdown. Nevertheless, mortgage, auto finance, SME and Singapore will continue to be the key drivers
- Grow good quality deposits, maintain CASA composition

Asset Quality

- Maintain prudence and prepared to build conservatism in provisions for COVID-19 impact
- Continue to focus on maintaining credit discipline and intensify recovery and collection efforts
- Continue to facilitate borrowers financially through the repayment assistance packages

Capital & Liquidity

- Priority is to preserve liquidity strength and remain among the best capitalised banks in Malaysia
- Continue to exercise balance sheet discipline in growing assets
- Economic stress from pandemic may have an impact on capital ratios but we expect the level to be well above our internal targets and the minimum regulatory requirement

- The Group delivered a resilient performance for the first half of the year despite the challenging business environment
- Continue to reward our shareholders with an interim dividend of 15 sen per share, representing 45.1% payout
- FY2021 performance is expected to be better than FY2020. However, we will remain vigilant for the rest of the year
- Our focus remains on business continuity, the health and safety of our employees, and our commitment to facilitate our borrowers in weathering financial challenges brought about by the pandemic
- We intend to uphold our strong fundamentals by preserving capital and liquidity strength, and stay the course with the Group's FIT22 strategy such as digitalisation of customer journeys, enhancing enterprise risk management and ensuring that our workforce is future ready

THANK YOU

www.rhbgroup.com

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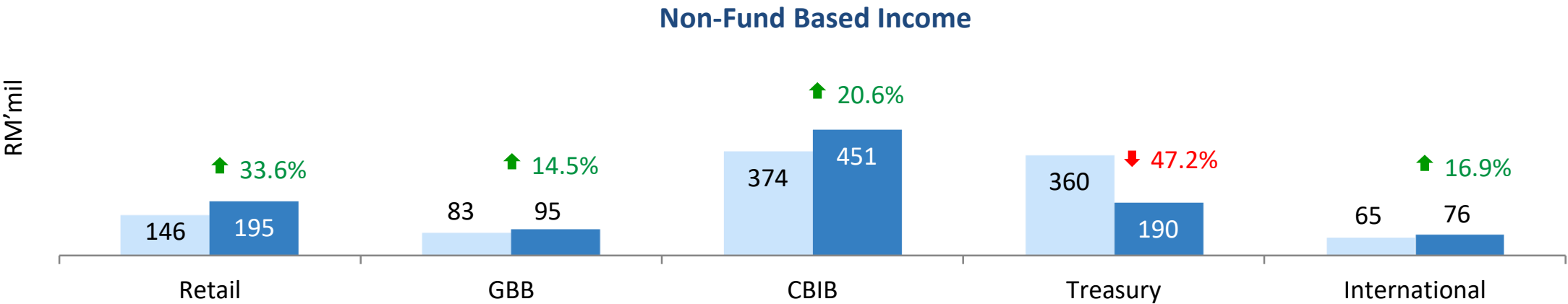
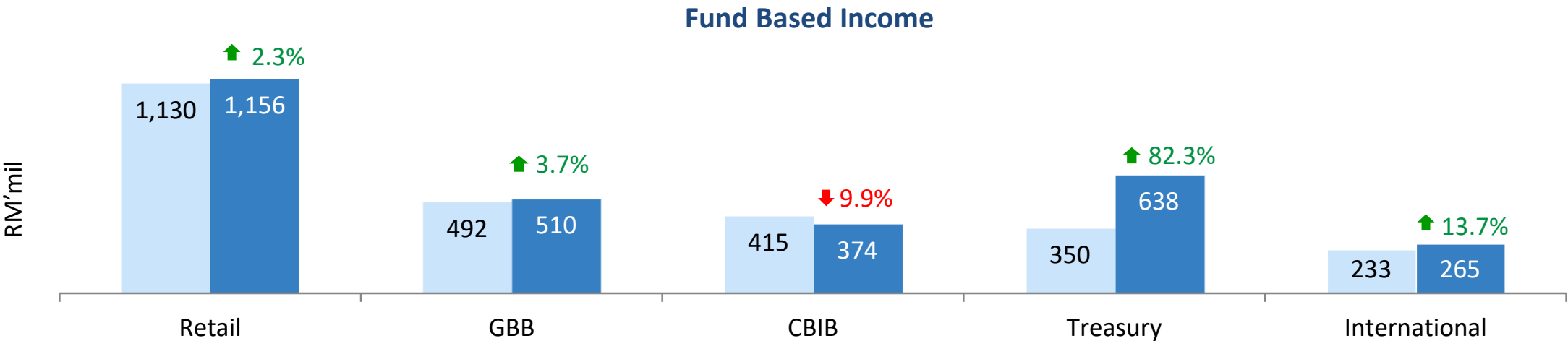


Appendix

Financial Data RM'mil	FY2017	FY2018	FY2019	FY2020	H1 2021
Income Statement					
Total Income	6,384	6,806	7,058	7,186	3,928
Pre-Provisioning Operating Profit	3,200	3,448	3,670	3,799	2,179
Profit Before Tax	2,558	3,119	3,394	2,644	1,777
Net Profit	1,950	2,305	2,482	2,033	1,352
Balance Sheet					
Total Assets	228,713	243,166	257,592	271,150	282,312
Gross Loans	160,026	168,879	176,175	186,114	191,012
Customer Deposits	166,865	178,856	190,555	203,471	215,594
Shareholders' Equity	21,667	23,358	25,775	27,024	27,521
Per Share					
Earnings (sen)	48.6	57.5	61.9	50.7	33.7
Net Assets (RM)	5.40	5.82	6.43	6.74	6.86
Dividend (RM)	0.150	0.205	0.310	0.1765	0.150

Financial Ratios	FY2017	FY2018	FY2019	FY2020	H1 2021
Profitability					
Return on Equity	9.1%	10.3%	10.3%	7.7%	9.9%
Net Interest Margin *	2.18%	2.24%	2.12%	2.06%	2.15%
Cost to Income Ratio	49.9%	49.3%	48.0%	47.1%	44.5%
Asset Quality					
Gross Impaired Loan Ratio	2.23%	2.06%	1.97%	1.71%	1.63%
Credit Cost	0.27%	0.19%	0.18%	0.58%	0.42%
Loan Loss Coverage Ratio (excl. Reg. Reserves)	79.9%	93.3%	85.7%	119.7%	124.1%
Loan Loss Coverage Ratio (incl. Reg. Reserves)	102.8%	103.0%	107.9%	119.7%	125.1%
Liquidity					
Loan to Deposit Ratio	96.0%	94.4%	92.5%	91.5%	88.6%
CASA Ratio	30.2%	25.9%	25.7%	30.9%	29.3%
Liquidity Coverage Ratio	117.5%	143.0%	152.7%	146.9%	141.8%
Capital Adequacy					
Common Equity Tier I Capital Ratio	13.9%	15.5%	16.3%	16.2%	16.8%
Tier I Capital Ratio	14.2%	15.7%	16.3%	16.2%	16.8%
Total Capital Ratio	17.2%	18.8%	18.6%	18.4%	19.3%

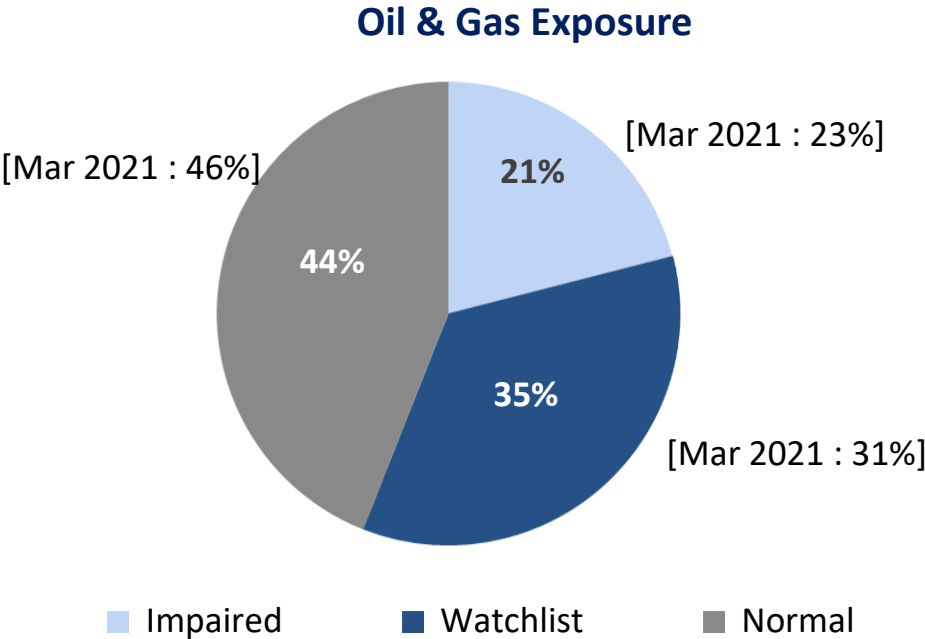
* NIM without ML impact



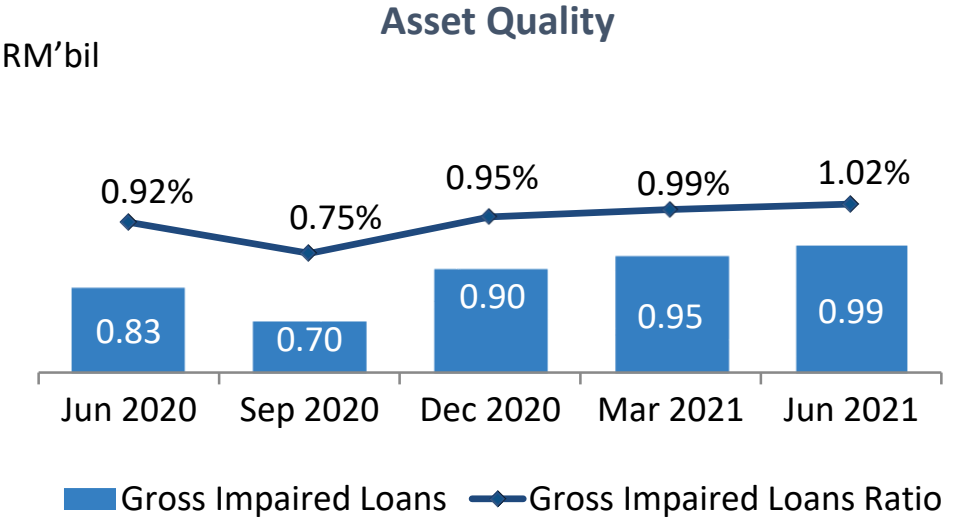
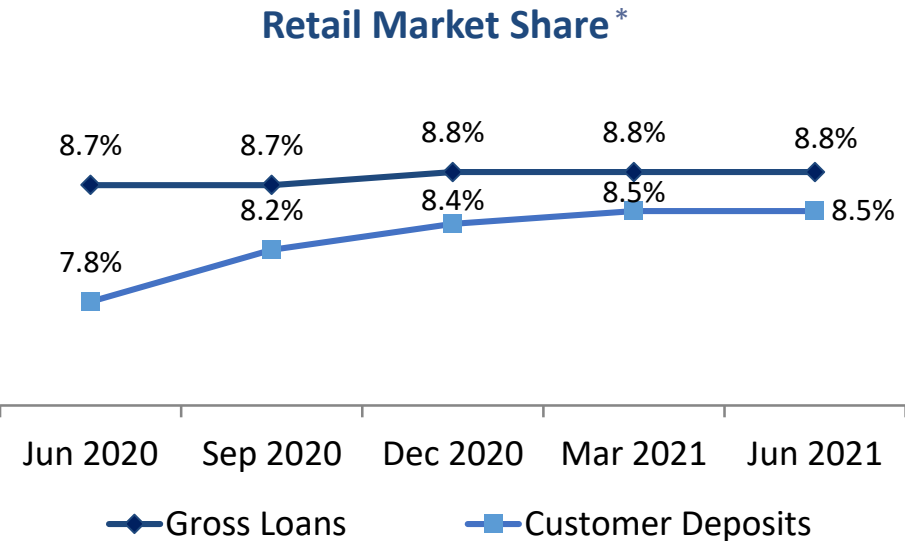
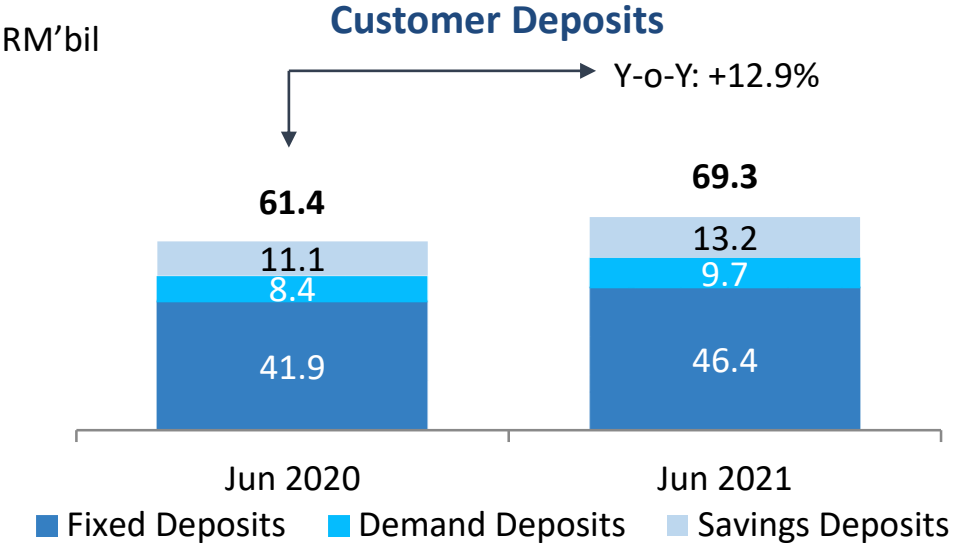
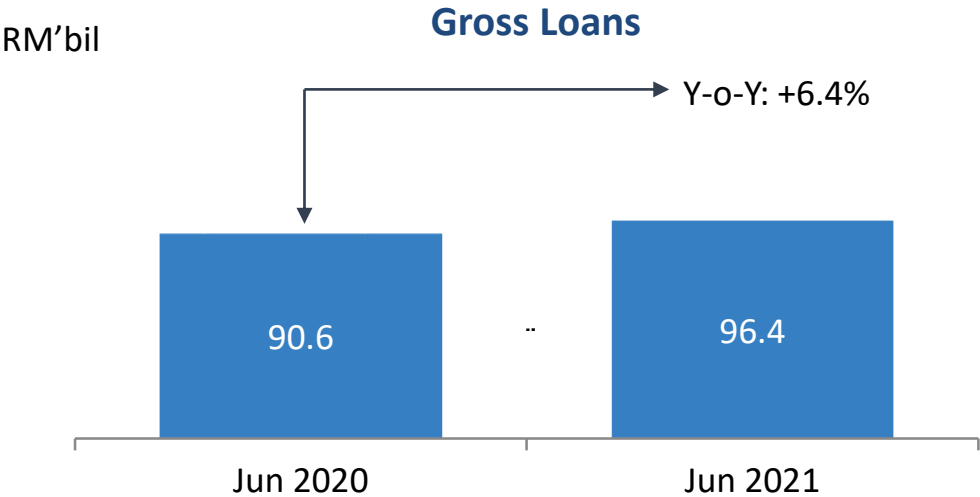
■ H1 2020

■ H1 2021

Loans + Bonds Outstanding	Oil and Gas Related Industry					
	Upstream		Downstream		Total	
	RM'bil	% to Gross Loans	RM'bil	% to Gross Loans	RM'bil	% to Gross Loans
Jun 2021	2.7	1.4%	1.0	0.5%	3.7	2.0%
Dec 2020	2.8	1.5%	1.0	0.5%	3.8	2.0%
Dec 2019	2.5	1.4%	1.6	1.0%	4.2	2.4%
Dec 2018	3.3	1.9%	1.5	0.9%	4.8	2.8%



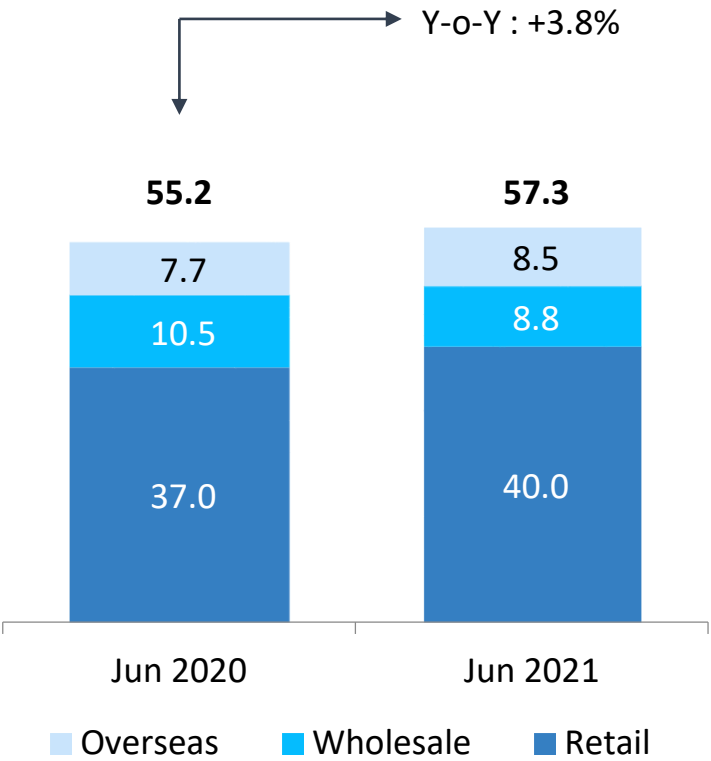
Country	% of Loans Outstanding
Malaysia	78%
Singapore	22%



* % of Retail Loans / Deposits to total for industry as reported in BNM Statistics

RM'bil

Asset Under Management



Market Share

11.1%

10.3%



YTD Jun 2021	Market Share	Ranking
Equities Broking: - By value - By volume	9.2% 10.7%	4 th 3 rd
Debt Capital Markets: - MYR sukuk - Total MYR bonds (Conventional & Islamic bonds)	15.2% 15.1%	3 rd 3 rd
Mergers & Acquisitions: - by value - by deal count	33.2% 11	3 rd 1 st
Equity Capital Markets	9.2%	5 th

CF/ECM



CTOS Digital Berhad

RM2.4 bil IPO

*Joint Principal Adviser, Joint Global Coordinator,
Joint Bookrunner, Joint Managing Underwriter &
Joint Underwriter*



Yenher Holdings Berhad

RM285.0 mil IPO

*Sole Principal Adviser, Sole Placement Agent &
Sole Underwriter*



Serba Dinamik Holdings Berhad

RM508.6 mil Private Placement

Joint Placement Agent



DCM



Bank Pembangunan Malaysia Berhad

Second issuance of Sukuk Wakalah RM1.25 bil via its

RM5.0 bil Sukuk Wakalah Programme

Joint Lead Manager



S P Setia Berhad

First issuance of RM800.0 mil via its

RM3.0 bil Sukuk Wakalah Programme

Joint Lead Arranger & Joint Lead Manager



7-Eleven Malaysia Holdings Berhad

First Issuance of RM500.0 mil via its

RM600.0 mil MTN Programme

*Sole Principal Adviser, Sole Lead Arranger,
Joint Lead Manager & Joint Bookrunner*

M&A



MMC Corporation Berhad

RM2,938.0 mil

Seaport Terminal (Johor) Sdn Bhd's proposed privatisation of
MMC Corporation Berhad by way of a selective capital
reduction and repayment exercise

Principal Adviser



Kuala Lumpur Kepong Berhad

RM2,729.8 mil

Proposed Acquisition by Kuala Lumpur Kepong Berhad ("KLK")
of 56.20% Equity Interest in IJM Plantations Berhad ("IJMP") and
the resultant proposed mandatory general offer to acquire all
the remaining ordinary shares in IJMP not already held by KLK
after the proposed acquisition

Principal Adviser

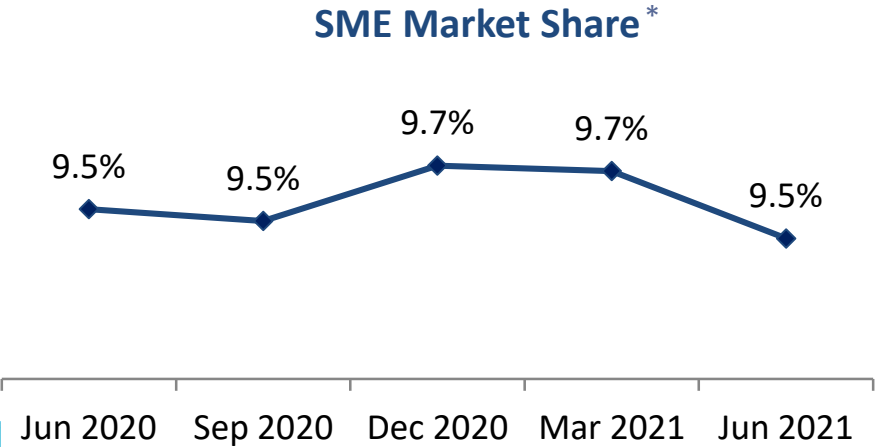
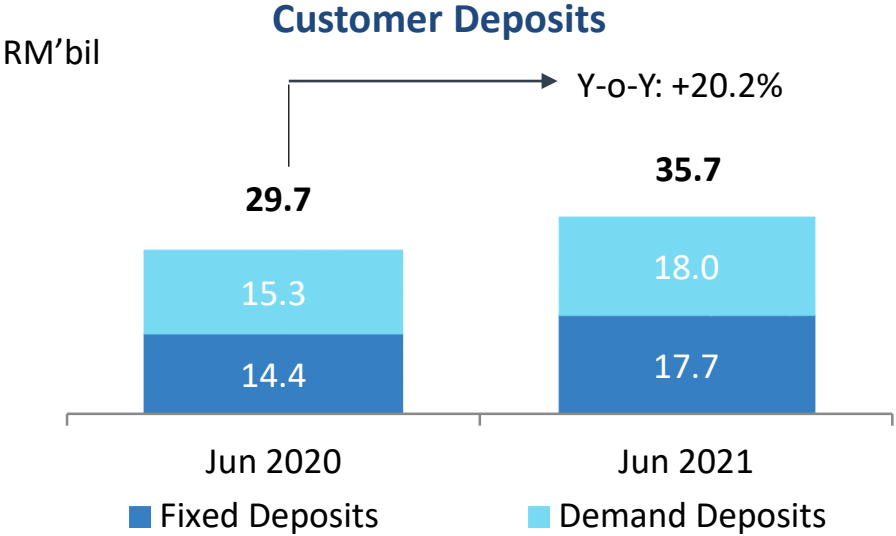
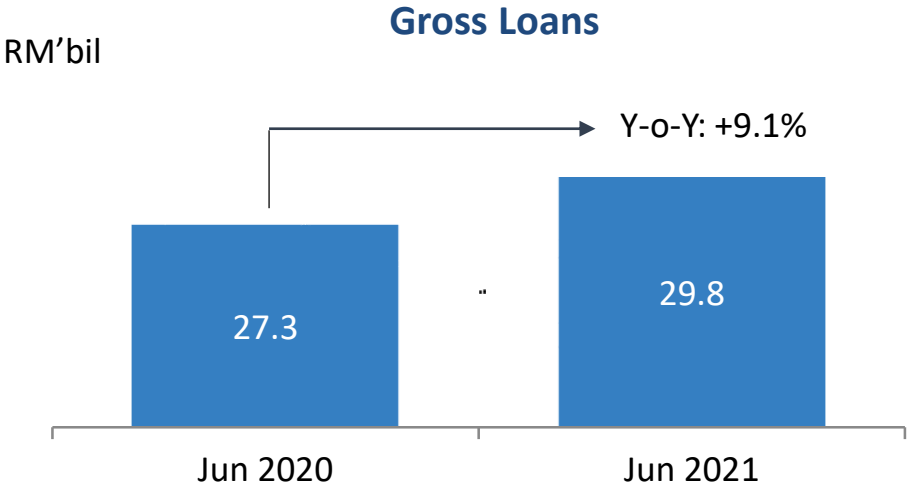


F&B Nutrition Sdn Bhd

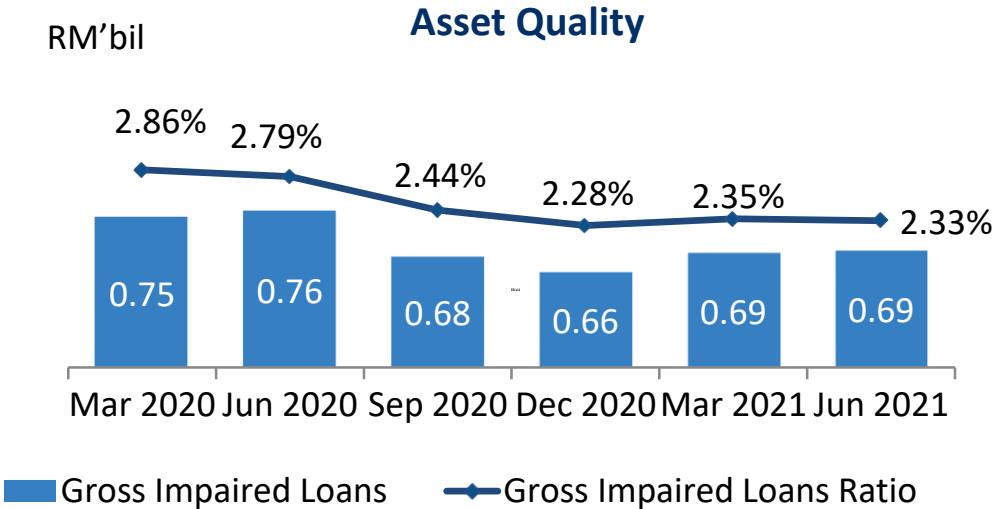
RM200.0 mil

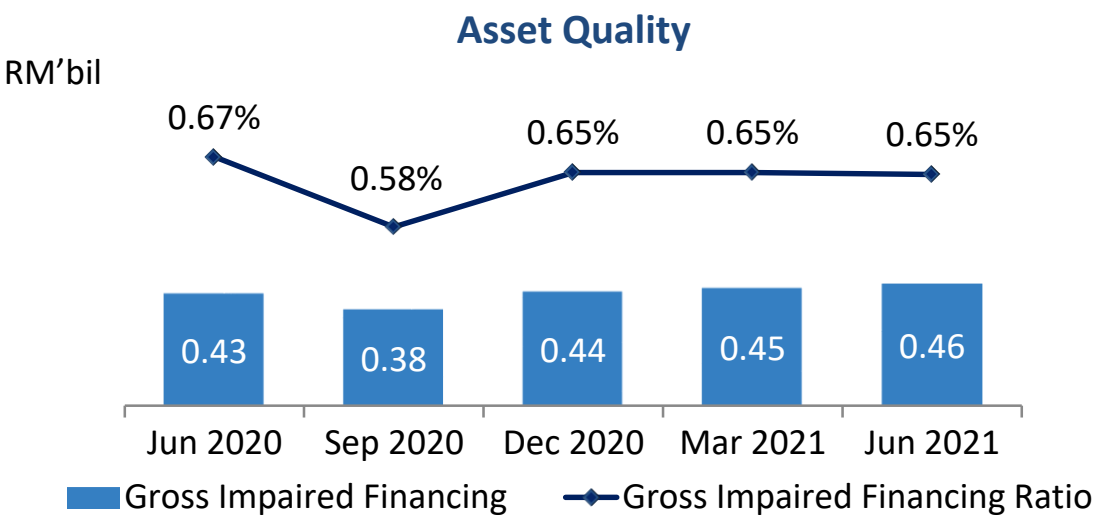
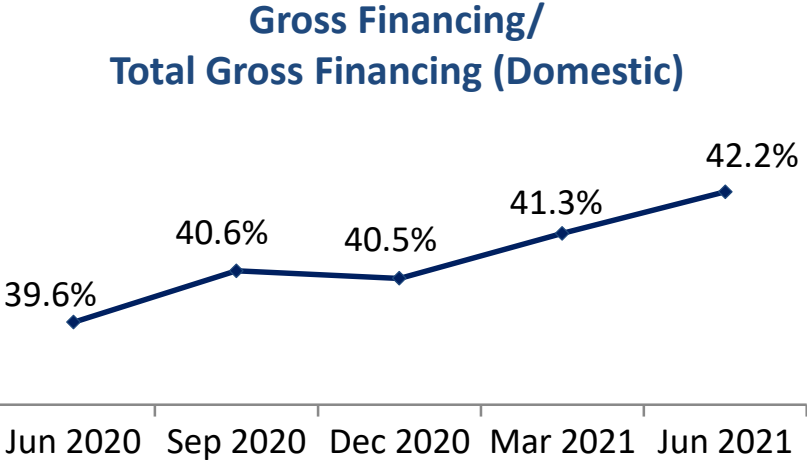
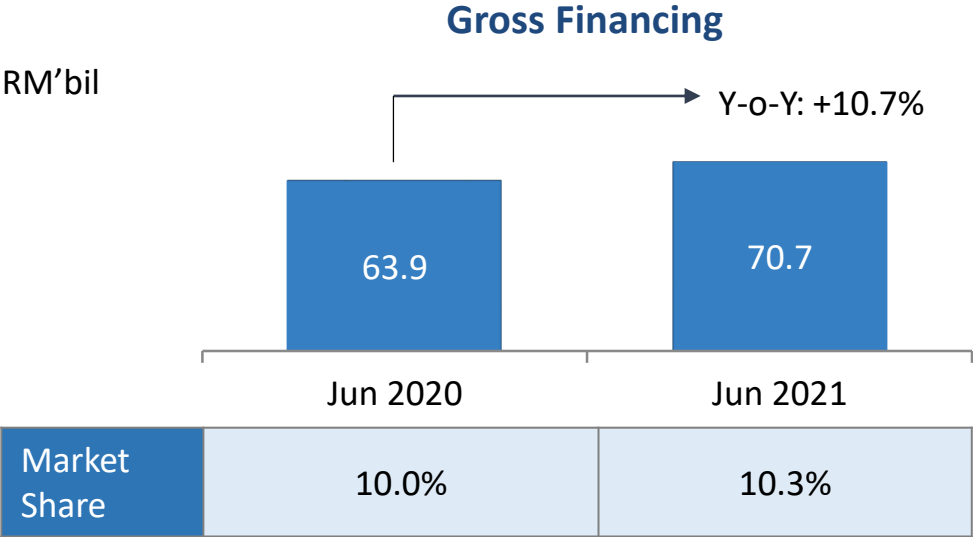
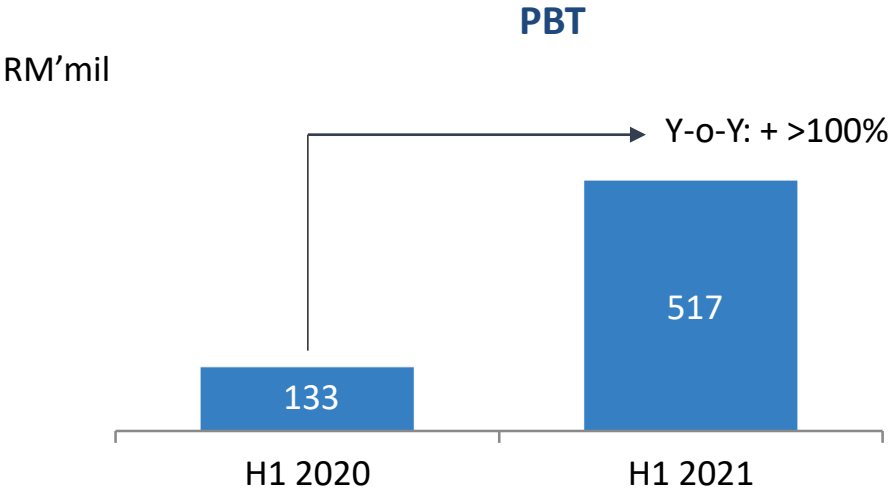
Raising of minority investment in F&B Nutrition Sdn Bhd through
an SPV owned by Southern Capital Group

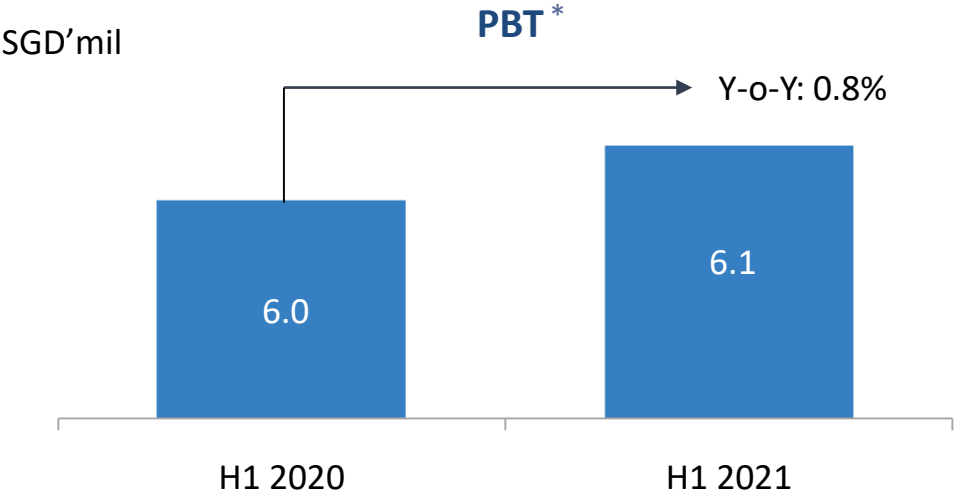
Financial Adviser



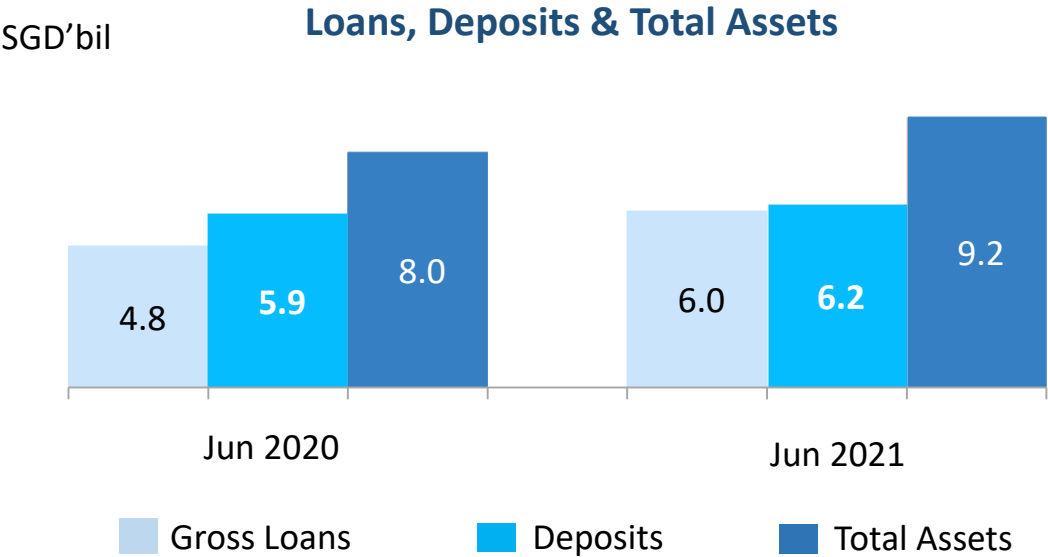
* % of SME loans to total for industry (excluding DFIs) as reported in BNM Statistics



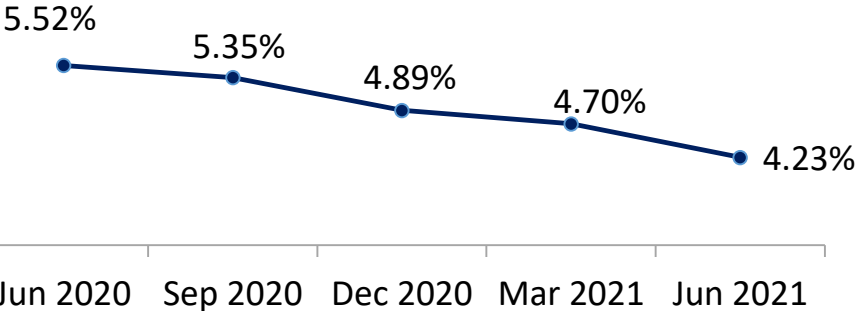




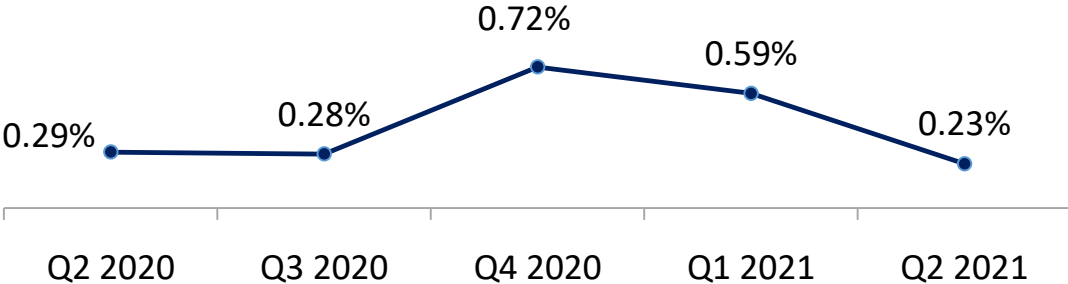
* PBT at Entity level, excluding consol adjustments



Gross Impaired Loans Ratio



Credit Charge Ratio



RM'mil	Jun 2020	Dec 2020	Jun 2021	YTD	Y-o-Y
Overseas Operations	19,531	20,017	23,260	16.2%	19.1%
Singapore	14,900	15,568	18,578	19.3%	24.7%
Others	4,631	4,449	4,682	5.2%	1.1%
Cambodia	2,435	2,353	2,607	10.8%	7.1%
Thailand	1,755	1,574	1,624	3.2%	-7.5%
Brunei	171	173	192	11.0%	12.3%
Laos	202	160	152	-5.0%	-24.8%
Indonesia	68	189	107	-43.4%	57.4%