

# RHB BANK BERHAD

---

Analysts Presentation

H1 2022 Financial Results

Mohd Rashid Mohamad  
Group Managing Director / Group Chief Executive Officer  
RHB Banking Group  
29 August 2022



# Agenda

1. Executive Summary
2. H1 2022 Financial Results
3. Strategy Update
4. Summary and Outlook



Executive Summary

## Profitability

### Q2 2022 (Year-on-year)

- **Net fund based income** grew by 9.1% Y-o-Y to RM1,562.4 million from higher gross fund based income
- **Non-fund based income** decreased 33.1% Y-o-Y to RM383.5 million due to lower fee income, insurance underwriting surplus and net trading and investment income
- **Total income** declined 3.0% Y-o-Y to RM1,945.9 million
- **Operating expenses** increased 2.8% Y-o-Y to RM888.6 million. CIR was at 45.7% compared with 43.1% a year ago
- **Operating profit before allowances** declined 7.3% Y-o-Y to RM1,057.4 million
- **Allowances for ECL** was lower by 83.0% Y-o-Y at RM38.6 million due to lower ECL on loans and higher bad debts recovered. Credit cost at 0.04% (Q2 2021: 0.46%)
- **Pre-tax profit** grew 11.5% Y-o-Y to RM1,018.8 million attributed mainly to higher net fund based income and lower ECL
- **Net profit** declined 9.5% Y-o-Y to RM634.8 million in Q2 2022 from RM701.3 million in Q2 2021 (normalised<sup>1</sup>: +4.4% Y-o-Y to RM732.4 million)

## Profitability

### H1 2022 (Year-on-year)

- **Net fund based income** grew by 6.5% Y-o-Y to RM3,033.2 million from higher gross fund based income
- **Non-fund based income** decreased 26.9% Y-o-Y to RM816.2 million due to lower fee income and net trading and investment income
- **Total income** declined 2.0% Y-o-Y to RM3,849.4 million (normalised<sup>1</sup>: -2.9% Y-o-Y)
- **Operating expenses** declined marginally by 0.1% Y-o-Y to RM1,747.6 million. CIR was higher at 45.4% compared with 44.5% a year ago, attributed largely to the lower non-fund based income (normalised<sup>1</sup> CIR: 44.1% in H1 2021)
- **Operating profit before allowances** declined 3.5% Y-o-Y to RM2,101.8 million (normalised<sup>1</sup>: -5.2% Y-o-Y)
- **Allowances for ECL** was lower by 52.0% Y-o-Y at RM192.4 million due to lower ECL on loans and higher bad debts recovered. Credit cost at 0.16% (H1 2021: 0.42%)
- **Pre-tax profit** grew 7.4% Y-o-Y to RM1,909.4 million attributed mainly to higher net fund based income, absence of modification loss and lower ECL (normalised<sup>1</sup>: 5.2% Y-o-Y)
- **Net profit** declined 8.6% Y-o-Y to RM1,235.1 million in H1 2022 from RM1,351.6 million in H1 2021 (normalised<sup>1</sup>: +2.1% Y-o-Y to RM1,408.3 million)
- **ROE** at 9.1% (H1 2021: 10.0%). On a normalised<sup>1</sup> basis, ROE at 10.3% (H1 2021: 10.1%)

## Assets and Liabilities

- **Gross loans and financing**
  - Expanded 1.8% Q-o-Q to RM204.9 billion attributed mainly to growth in mortgage, SME and Singapore (Domestic loans growth Q-o-Q: 1.2%)
  - Expanded 3.2% YTD attributed mainly to growth in mortgage, auto finance, SME and Singapore (Domestic loans growth YTD: 2.3%)
- **Customer deposits**
  - Contracted marginally by 0.3% Q-o-Q to RM225.9 billion from lower FD and MMTD (-0.8%)
  - Grew 3.3% YTD supported by growth in FD and MMTD (4.2%)
  - CASA made up 29.3% of total deposits (29.0% in Q1 2022; 30.0% in Q4 2021)
- **Gross impaired loans (GIL) ratio** stood at 1.62% (1.50% in Q1 2022; 1.49% in Q4 2021)
- **LLC excluding regulatory reserve** remained strong at 117.0% (125.7% in Q1 2022; 122.4% in Q4 2021)

## Capital and Liquidity

### Strong capital and liquidity position

- Group CET 1 ratio at 16.6% (16.8% in Q1 2022; 17.2% in Q4 2021) and total capital ratio at 19.2% (19.4% in Q1 2022; 19.8% in Q4 2021)
- Bank entity CET 1 ratio at 14.8% (14.7% in Q1 2022; 15.2% in Q4 2021) and total capital ratio at 17.7% (17.6% in Q1 2022; 18.2% in Q4 2021)
- Healthy liquidity coverage ratio of 140.9% (144.8% in Q1 2022; 155.7% in Q4 2021)

## Dividend






### Interim Dividend

- Declared interim dividend of 15 sen per share, representing 51.2% payout ratio
  - Cash payout of 10 sen per share and an electable portion under Dividend Reinvestment Plan of 5 sen per share

## Other Highlights

### Credit Rating Upgrade by RAM Ratings

- Rating upgrade from AA<sub>2</sub> to AA<sub>1</sub> with a Stable outlook by RAM Ratings

Top Level Indicators	Target FY2022	Actual H1 2022	Achieved Target
ROE	8.5% [10.0%] <sup>N1</sup>	9.1% [10.3%] <sup>N1</sup>	
Annualised Loans Growth	4%-5%	6.5%	
CASA Composition	30.0%	29.3%	
Gross Impaired Loans Ratio	≤1.70%	1.62%	
Cost-to-Income Ratio	≤45.0%	45.4%	

N1 Normalised for Prosperity Tax (“Cukai Makmur”)

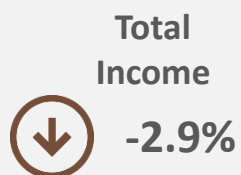




H1 2022 Financial Results

# Resilient H1'22 results driven by higher net fund based income and lower ECL, partially offset by lower non-fund based income; sustained loans growth while uptick in GIL ratio within expectation

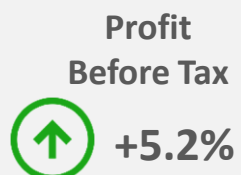
## Financial Results <sup>N1</sup>



H1 2022: RM3.85 bil  
H1 2021: RM3.97 bil



H1 2022: RM2.10 bil  
H1 2021: RM2.22 bil

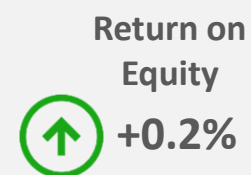


H1 2022: RM1.91 bil  
H1 2021: RM1.81 bil

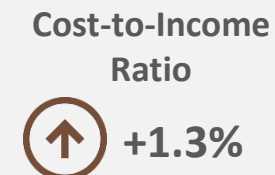


H1 2022: RM1.41 bil  
H1 2021: RM1.38 bil

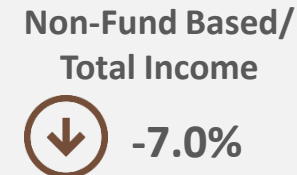
## Profitability Ratios <sup>N1</sup>



H1 2022: 10.3%  
H1 2021: 10.1%



H1 2022: 45.4%  
H1 2021: 44.1%

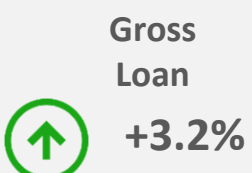


H1 2022: 21.2%  
H1 2021: 28.2%

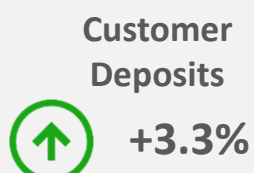
## Financial Position



Jun 2022: RM299.7 bil  
Dec 2021: RM289.5 bil



Jun 2022: RM204.9 bil  
Dec 2021: RM198.5 bil

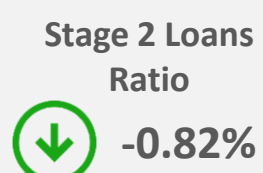


Jun 2022: RM225.9 bil  
Dec 2021: RM218.7 bil



Jun 2022: RM27.4 bil  
Dec 2021: RM28.0 bil

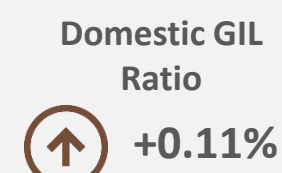
## Asset Quality



Jun 2022: 6.28%  
Dec 2021: 7.10%



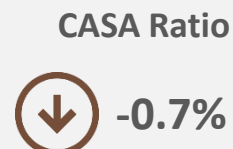
Jun 2022: 1.62%  
Dec 2021: 1.49%



Jun 2022: 1.46%  
Dec 2021: 1.35%



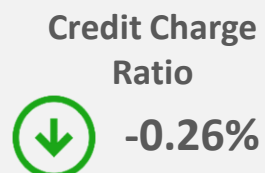
Jun 2022: RM66.3 bil  
Dec 2021: RM65.6 bil



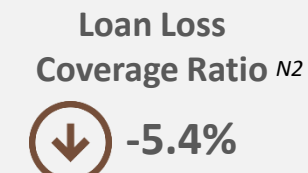
Jun 2022: 29.3%  
Dec 2021: 30.0%



Jun 2022: 140.9%  
Dec 2021: 155.7%



H1 2022: 0.16%  
H1 2021: 0.42%



Jun 2022: 117.0%  
Dec 2021: 122.4%



N1 Financial Results & Profitability Ratios: Based on normalised results (excluding modification loss in H1 2021 and Prosperity Tax ("Cukai Makmur") in H1 2022)

N2 Loan Loss Coverage ratio excluding regulatory reserve

# H1'22 and Q2'22 results supported by higher net fund based income and lower ECL despite the drop in non-fund based income

11

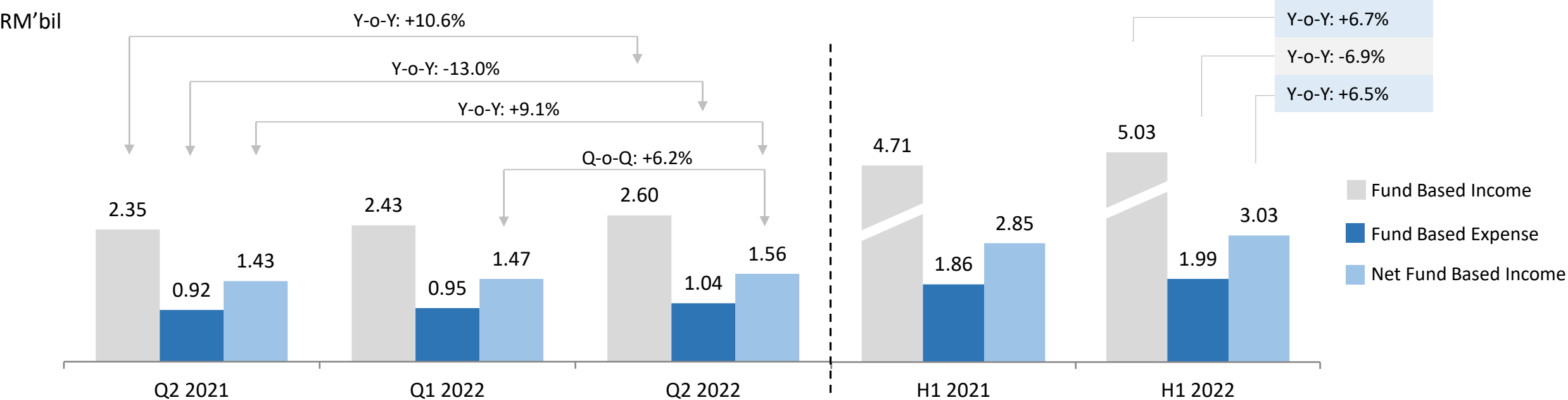
	RM' mil	Q2 2021	Q1 2022	Q2 2022	Q-o-Q	Y-o-Y	H1 2021	H1 2022	Y-o-Y
Reported	Net Fund Based Income	1,431.9	1,470.7	<b>1,562.4</b>	6.2%	9.1%	2,848.8	<b>3,033.2</b>	6.5%
	Non-Fund Based Income	573.6	432.7	<b>383.5</b>	-11.4%	-33.1%	1,116.9	<b>816.2</b>	-26.9%
	Modification Loss	-	-	-	-	-	-37.3	-	-
	<b>Total Income</b>	<b>2,005.5</b>	<b>1,903.4</b>	<b>1,945.9</b>	2.2%	-3.0%	<b>3,928.4</b>	<b>3,849.4</b>	-2.0%
	Operating Expenses	-864.5	-859.1	<b>-888.6</b>	-3.4%	-2.8%	-1,749.6	<b>-1,747.6</b>	0.1%
	<b>Operating Profit Before Allowances</b>	<b>1,141.0</b>	<b>1,044.4</b>	<b>1,057.4</b>	1.2%	-7.3%	<b>2,178.9</b>	<b>2,101.8</b>	-3.5%
	Allowance for Credit Losses on Financial Assets	-227.3	-153.8	<b>-38.6</b>	74.9%	83.0%	-401.2	<b>-192.4</b>	52.0%
	Impairment Losses Made on Other Non-Financial Assets	-0.3	-	-	-	-	-0.3	-	-
	<b>Profit Before Taxation</b>	<b>913.4</b>	<b>890.6</b>	<b>1,018.8</b>	14.4%	11.5%	<b>1,777.4</b>	<b>1,909.4</b>	7.4%
	<b>Net Profit</b>	<b>701.3</b>	<b>600.3</b>	<b>634.8</b>	5.7%	-9.5%	<b>1,351.6</b>	<b>1,235.1</b>	-8.6%
Normalised <sup>1</sup>	<b>Earnings Per Share (sen)</b>	<b>17.5</b>	<b>14.5</b>	<b>15.3</b>	5.5%	-12.6%	<b>33.7</b>	<b>29.8</b>	-11.6%
	<b>ROE</b>						<b>10.0%</b>	<b>9.1%</b>	-0.9%
	<b>Total Income</b>	<b>2,005.5</b>	<b>1,903.4</b>	<b>1,945.9</b>	2.2%	-3.0%	<b>3,965.7</b>	<b>3,849.4</b>	-2.9%
	<b>Profit Before Taxation</b>	<b>913.4</b>	<b>890.6</b>	<b>1,018.8</b>	14.4%	11.5%	<b>1,814.7</b>	<b>1,909.4</b>	5.2%
	<b>Net Profit</b>	<b>701.3</b>	<b>675.9</b>	<b>732.4</b>	8.4%	4.4%	<b>1,379.9</b>	<b>1,408.3</b>	2.1%
Normalised <sup>1</sup>	<b>Cost-to-Income Ratio</b>						44.1%	<b>45.4%</b>	-1.3%
	<b>ROE</b>						10.1%	<b>10.3%</b>	0.2%

Note:

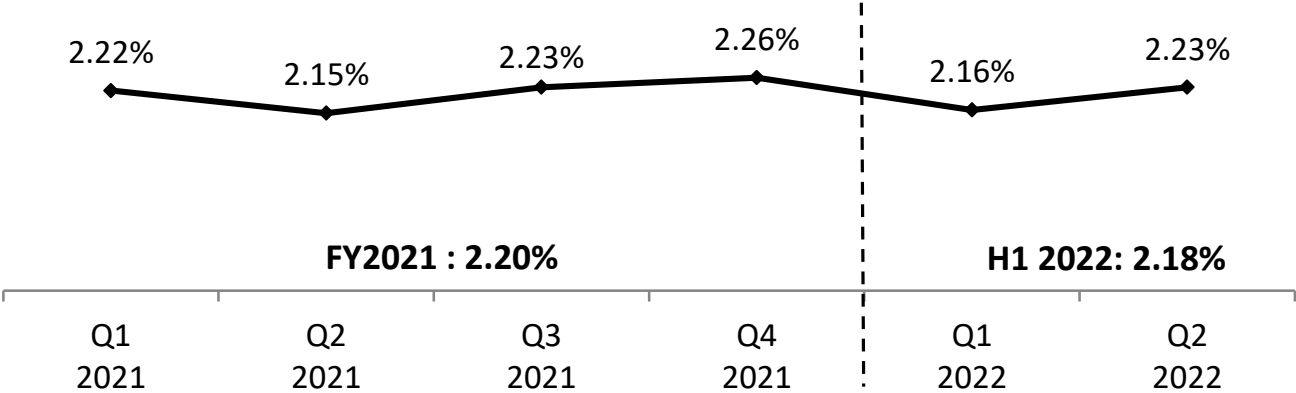
<sup>1</sup> Normalised = excluding modification loss in H1 2021 and Prosperity Tax ("Cukai Makmur") in H1 2022



H1'22 and Q2'22 net fund based income grew mainly due to higher gross fund based income; NIM strengthened by 7bps Q-o-Q to 2.23%



NIM

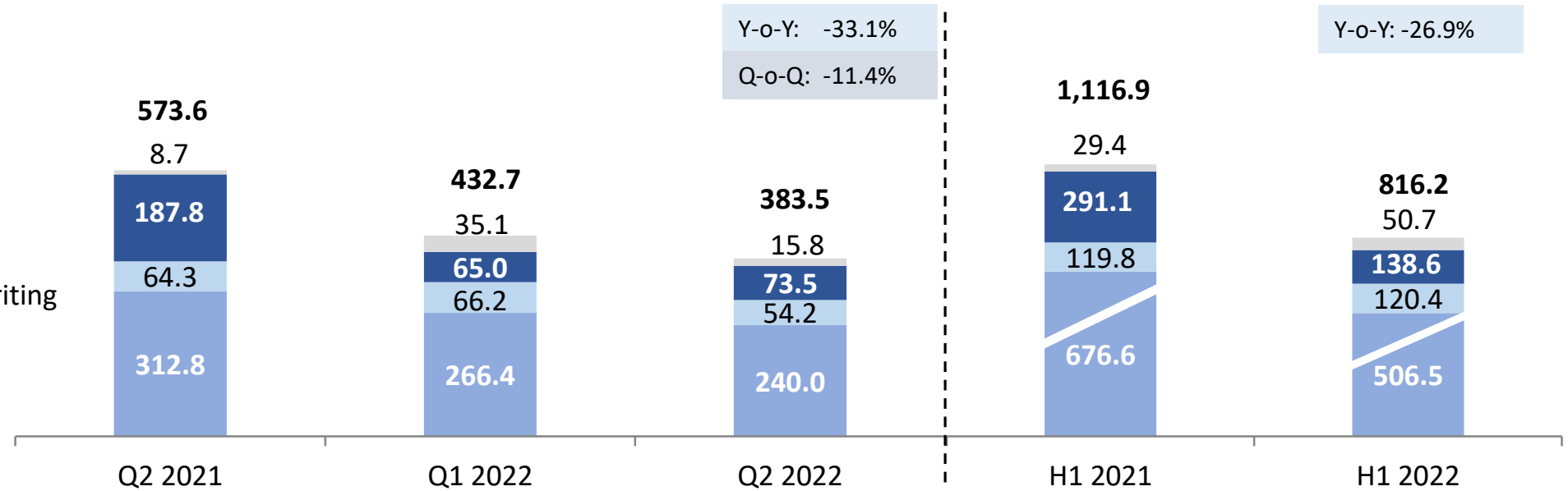


# H1'22 and Q2'22 non-fund based income impacted by the lower fee income and net trading and investment income

13

RM'mil

- Others
- Treasury Income
- Insurance Underwriting Surplus
- Fee Income

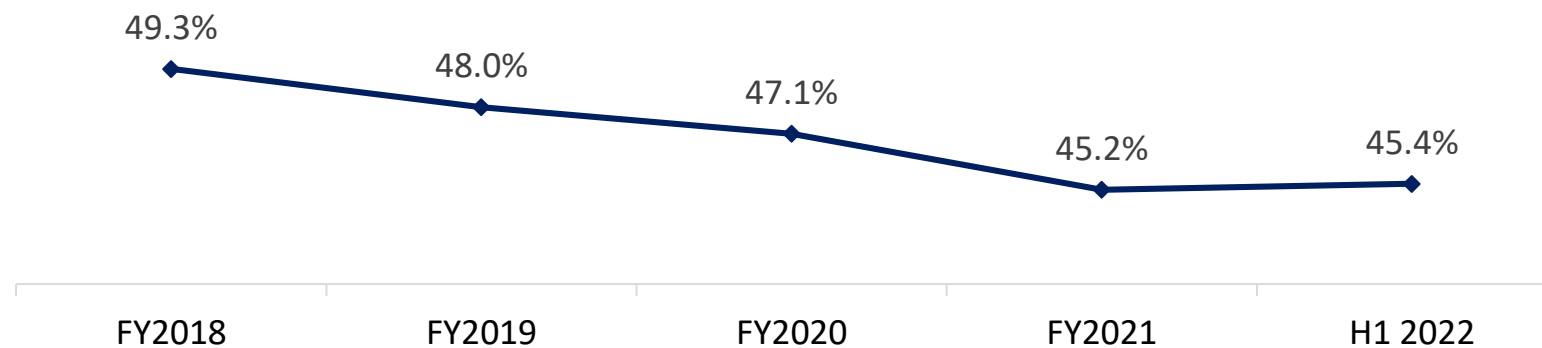


	RM' mil	Q2 2021	Q1 2022	Q2 2022	Q-o-Q	Y-o-Y	H1 2021	H1 2022	Y-o-Y
Fee Income	IB Related	33.0	17.7	17.1	-3.4%	-48.2%	55.2	34.8	-37.0%
	Brokerage Income	81.4	55.8	42.2	-24.4%	-48.2%	206.0	98.0	-52.4%
	Asset Management	47.4	41.2	38.2	-7.3%	-19.4%	103.1	79.4	-23.0%
	Commercial Banking	151.0	151.7	142.5	-6.1%	-5.6%	312.3	294.3	-5.8%
Treasury Income	Net Forex Gain / Derivatives	19.6	53.7	100.7	87.5%	>100%	79.8	154.4	93.5%
	Gain & MTM on Securities	168.2	11.3	-27.2	->100%	->100%	211.3	-15.8	->100%

H1'22 Operating expenses was flat from lower personnel, IT, marketing and A&G; CIR was higher at 45.4% due to lower non-fund based income

RM' mil	Q2 2021	Q1 2022	Q2 2022	Q-o-Q	Y-o-Y	H1 2021	H1 2022	Y-o-Y
Personnel Costs	528.7	533.5	<b>539.2</b>	1.1%	2.0%	1,081.1	<b>1,072.7</b>	-0.8%
Establishment Costs	188.8	199.7	<b>205.6</b>	3.0%	8.9%	376.3	<b>405.3</b>	7.7%
of which: IT Expenses	69.0	67.5	<b>67.8</b>	0.4%	-1.7%	137.7	<b>135.4</b>	-1.7%
Marketing Expenses	53.5	48.7	<b>54.5</b>	11.9%	1.9%	119.4	<b>103.2</b>	-13.6%
Administration & General Expenses	93.5	77.2	<b>89.3</b>	15.7%	-4.5%	172.8	<b>166.4</b>	-3.7%
<b>Total</b>	<b>864.5</b>	<b>859.1</b>	<b>888.6</b>	<b>3.4%</b>	<b>2.8%</b>	<b>1,749.6</b>	<b>1,747.6</b>	<b>-0.1%</b>
<b>CIR (%)</b>	<b>43.1</b>	<b>45.1</b>	<b>45.7</b>			<b>44.5</b>	<b>45.4</b>	

CIR



# Loans grew 3.2% YTD led mainly by mortgage, auto finance, SME and Singapore; Domestic loans grew 2.3% YTD

15

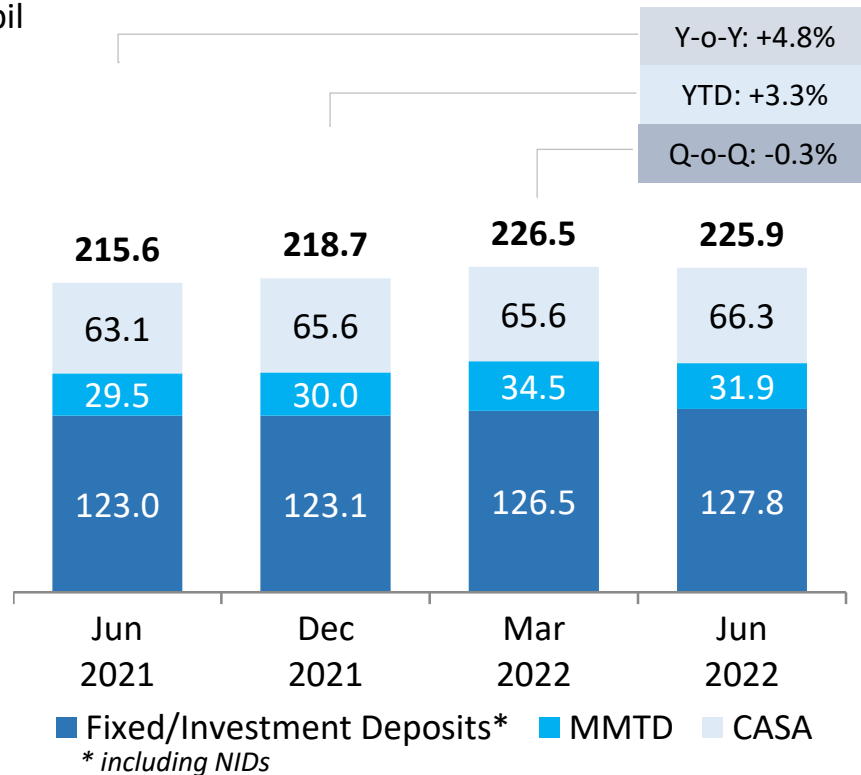
RM'mil	Jun 2021	Dec 2021	Mar 2022	Jun 2022	Q-o-Q	YTD	Y-o-Y
<b>GROUP COMMUNITY BANKING</b>	<b>119,218</b>	<b>124,096</b>	<b>126,368</b>	<b>128,583</b>	<b>1.8%</b>	<b>3.6%</b>	<b>7.9%</b>
<b>Retail</b>	<b>96,364</b>	<b>99,688</b>	<b>101,147</b>	<b>102,822</b>	<b>1.7%</b>	<b>3.1%</b>	<b>6.7%</b>
Mortgage	65,148	68,176	69,726	71,432	2.4%	4.8%	9.6%
Commercial Property Financing	4,554	4,482	4,440	4,375	-1.5%	-2.4%	-3.9%
Securities	7,553	7,710	7,588	7,525	-0.8%	-2.4%	-0.4%
Auto Finance	9,195	9,335	9,421	9,540	1.3%	2.2%	3.8%
Unsecured Business	9,205	9,305	9,276	9,289	0.1%	-0.2%	0.9%
Others	709	680	696	661	-5.0%	-2.8%	-6.8%
<b>SME</b>	<b>22,854</b>	<b>24,408</b>	<b>25,221</b>	<b>25,761</b>	<b>2.1%</b>	<b>5.5%</b>	<b>12.7%</b>
<b>GROUP WHOLESALE BANKING</b>	<b>48,534</b>	<b>49,983</b>	<b>49,537</b>	<b>49,456</b>	<b>-0.2%</b>	<b>-1.1%</b>	<b>1.9%</b>
Corporate	41,630	42,824	42,363	42,250	-0.3%	-1.3%	1.5%
Commercial	6,904	7,159	7,174	7,206	0.4%	0.7%	4.4%
<b>TOTAL RHB DOMESTIC</b>	<b>167,752</b>	<b>174,079</b>	<b>175,905</b>	<b>178,039</b>	<b>1.2%</b>	<b>2.3%</b>	<b>6.1%</b>
<b>OVERSEAS OPERATIONS</b>	<b>23,260</b>	<b>24,433</b>	<b>25,443</b>	<b>26,887</b>	<b>5.7%</b>	<b>10.0%</b>	<b>15.6%</b>
Singapore	18,578	19,446	20,503	21,697	5.8%	11.6%	16.8%
Others	4,682	4,987	4,940	5,190	5.1%	4.1%	10.9%
<b>TOTAL RHB GROUP</b>	<b>191,012</b>	<b>198,512</b>	<b>201,348</b>	<b>204,926</b>	<b>1.8%</b>	<b>3.2%</b>	<b>7.3%</b>

# Total deposits grew 3.3% YTD attributed to growth in FD, MMTD and CASA; CASA composition improved to 29.3% attributed largely to Retail and SME

16

## Customer Deposits

RM'bil



## CASA by Segment

RM'bil	Jun 2021	Dec 2021	Mar 2022	Jun 2022	Q-o-Q	YTD	Y-o-Y
<b>GROUP COMMUNITY BANKING</b>	<b>39.6</b>	<b>40.9</b>	<b>40.8</b>	<b>42.2</b>	<b>3.3%</b>	<b>3.1%</b>	<b>6.5%</b>
Retail	23.0	23.5	23.5	23.9	1.6%	1.6%	4.1%
SME	16.6	17.4	17.3	18.3	5.8%	5.2%	9.9%
<b>GROUP WHOLESALE BANKING</b>	<b>11.2</b>	<b>12.6</b>	<b>13.0</b>	<b>12.3</b>	<b>-5.5%</b>	<b>-2.4%</b>	<b>9.4%</b>
Corporate	9.9	11.1	11.4	10.7	-6.1%	-3.3%	8.2%
Commercial	1.3	1.5	1.6	1.6	-1.3%	4.5%	18.3%
<b>TOTAL RHB DOMESTIC</b>	<b>50.8</b>	<b>53.5</b>	<b>53.8</b>	<b>54.5</b>	<b>1.2%</b>	<b>1.9%</b>	<b>7.2%</b>
<b>OVERSEAS OPERATIONS</b>	<b>12.3</b>	<b>12.1</b>	<b>11.8</b>	<b>11.8</b>	<b>0.2%</b>	<b>-2.6%</b>	<b>-3.8%</b>
<b>TOTAL RHB GROUP</b>	<b>63.1</b>	<b>65.6</b>	<b>65.6</b>	<b>66.3</b>	<b>1.0%</b>	<b>1.0%</b>	<b>5.0%</b>

<b>CASA Ratio</b>	<b>29.3%</b>	<b>30.0%</b>	<b>29.0%</b>	<b>29.3%</b>
-------------------	--------------	--------------	--------------	--------------

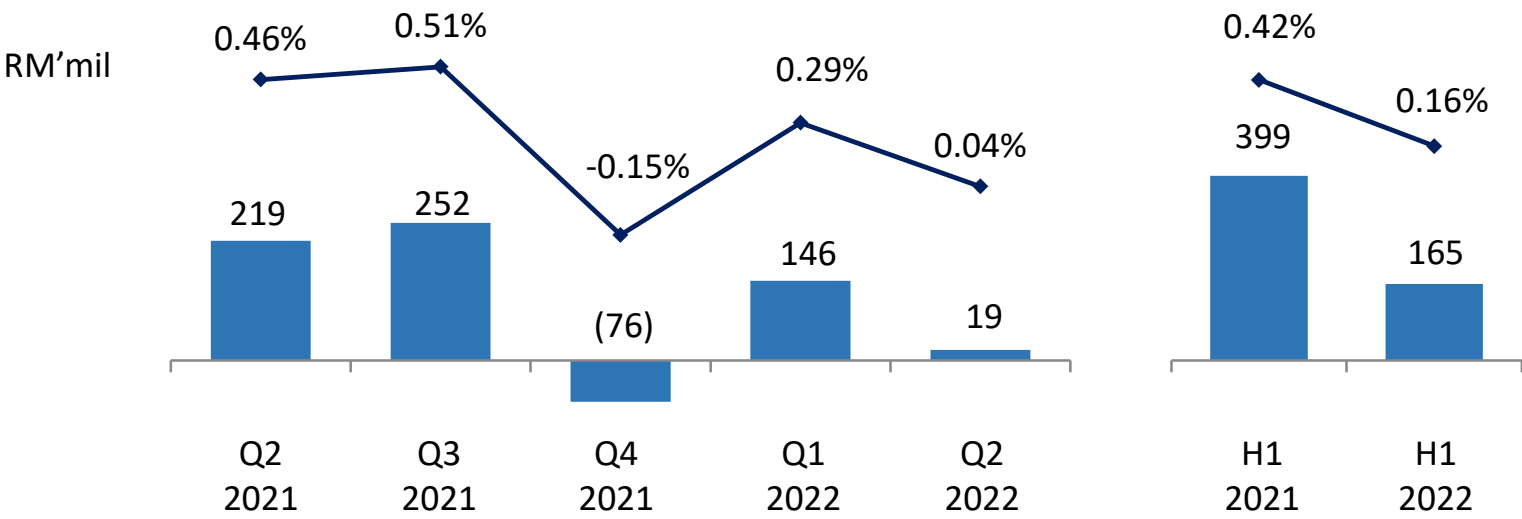
LDR 88.6% 90.8% 88.9% 90.7%

LCR 141.8% 155.7% 144.8% 140.9%





Allowances for Losses on Loans



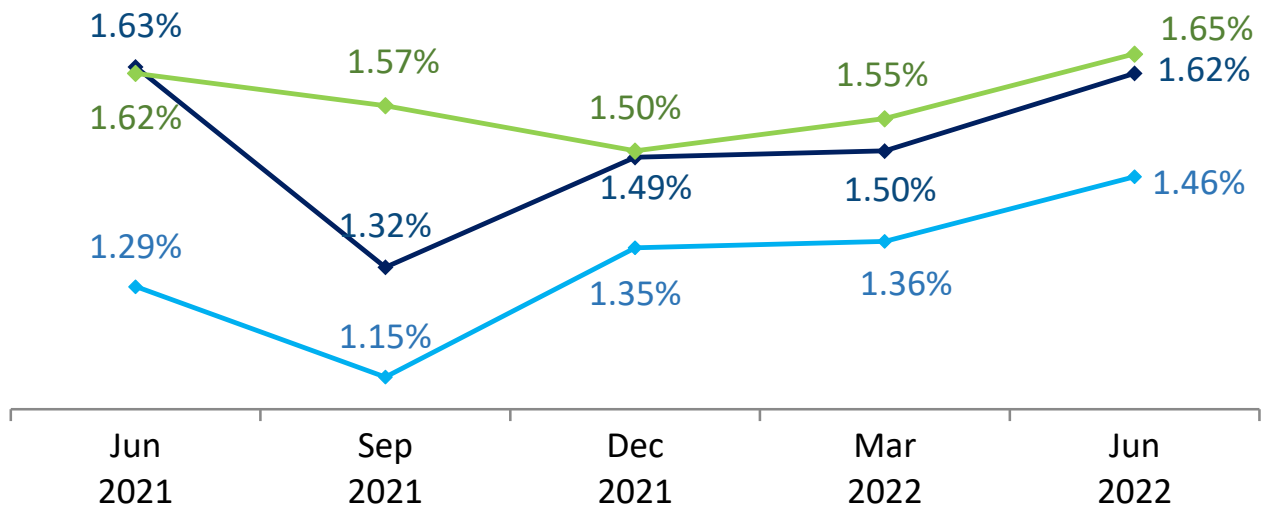
ECL staging composition:

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Stage 1	28%	34%	28%	29%	29%
Stage 2	33%	36%	33%	33%	27%
Stage 3	38%	30%	39%	38%	44%

ECL on loans      Credit charge ratio

Gross Impaired Loans

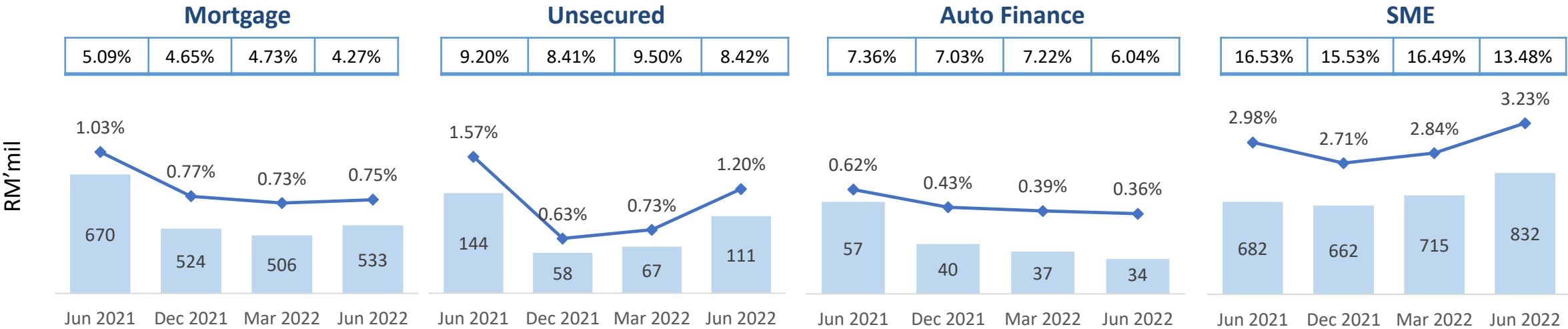
8.27%	8.23%	7.10%	7.27%	6.28%
-------	-------	-------	-------	-------



LLC <sup>N1</sup>	124.1%	147.9%	122.4%	125.7%	117.0%
-------------------	--------	--------	--------	--------	--------

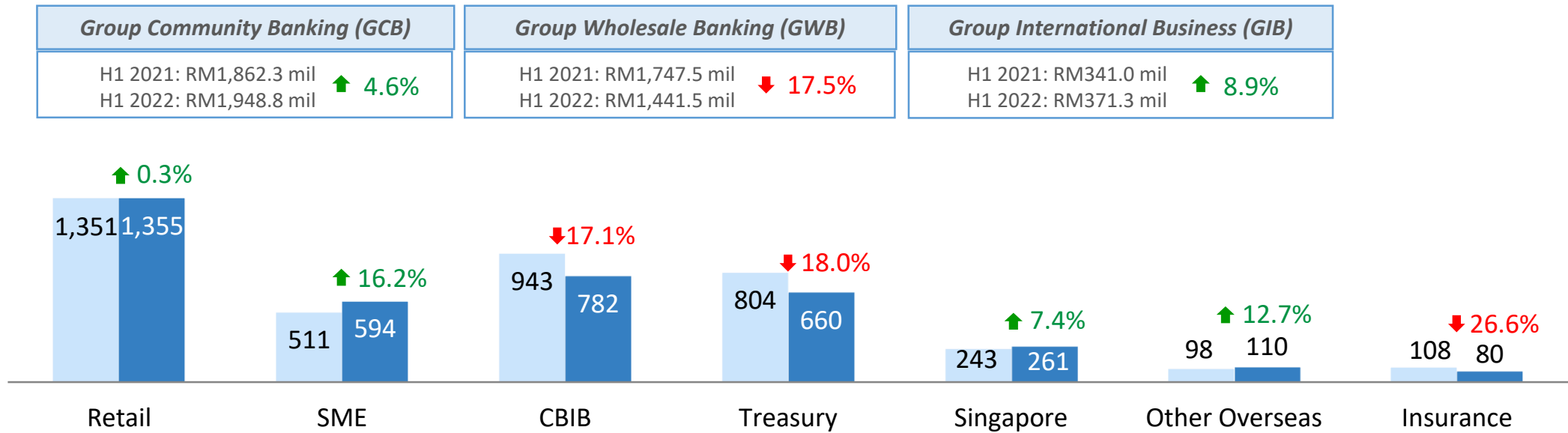
N1: Excluding 1.0% regulatory reserve

Group Community Banking

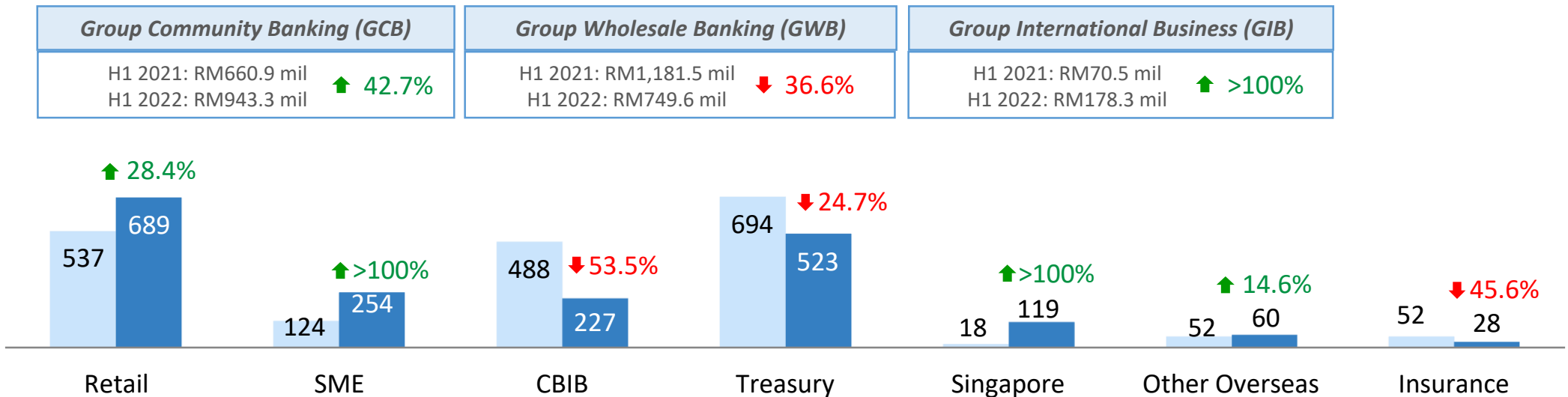


# Profit grew in GCB and GIB; lower profit for GWB due to lower non-fund based income and higher ECL, whilst Insurance impacted by lower underwriting surplus

## Revenue



## Pre-tax Profit

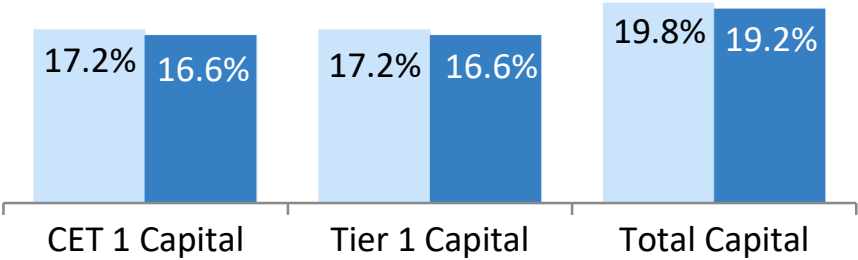


\*Figures in RM' million

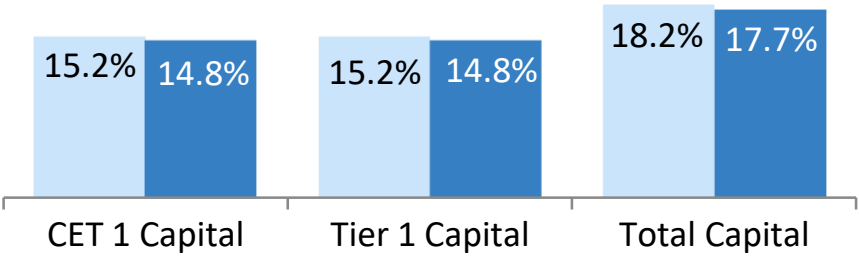
■ H1 2021

■ H1 2022

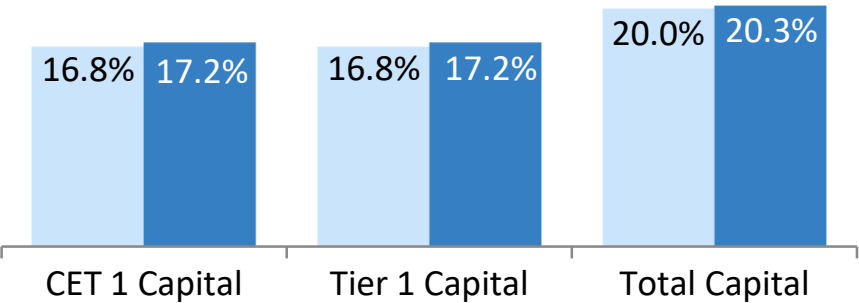
RHB Bank Group



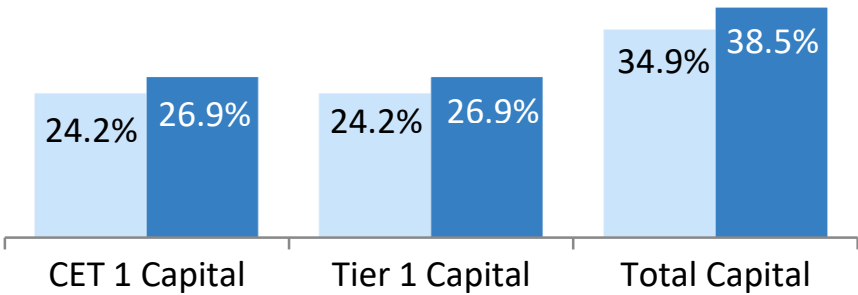
RHB Bank



RHB Islamic Bank



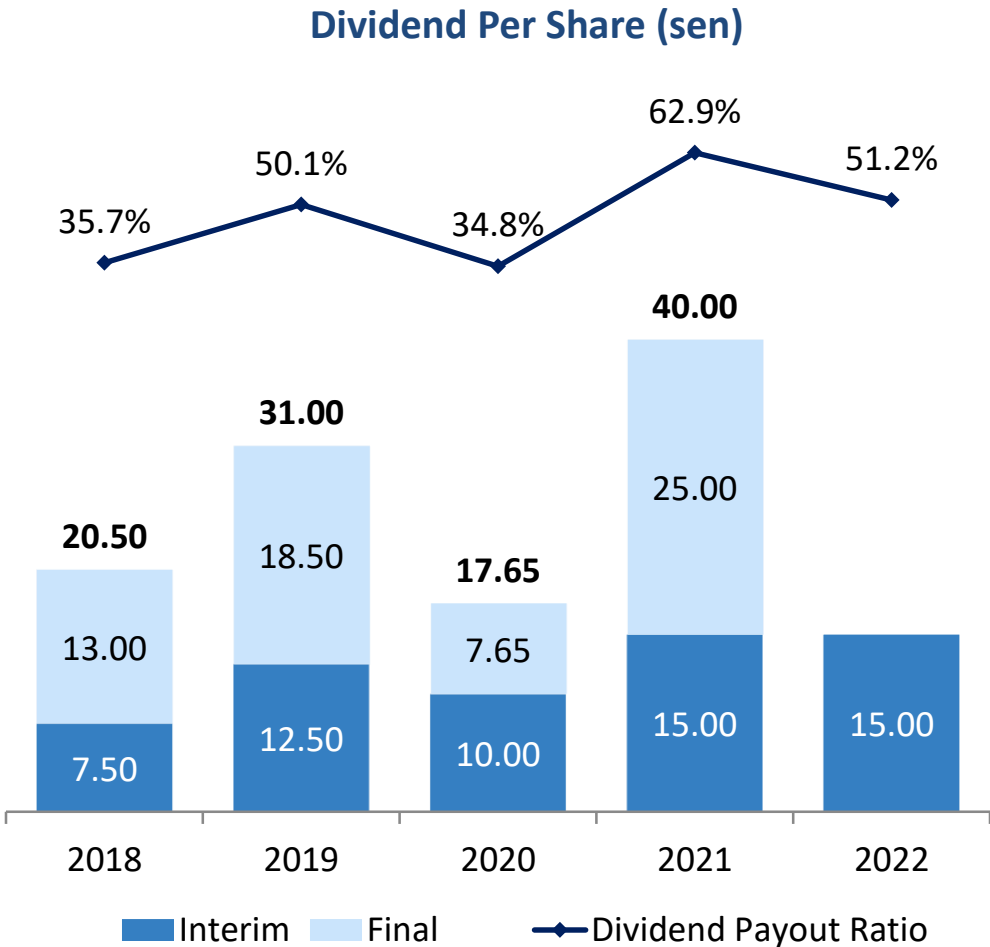
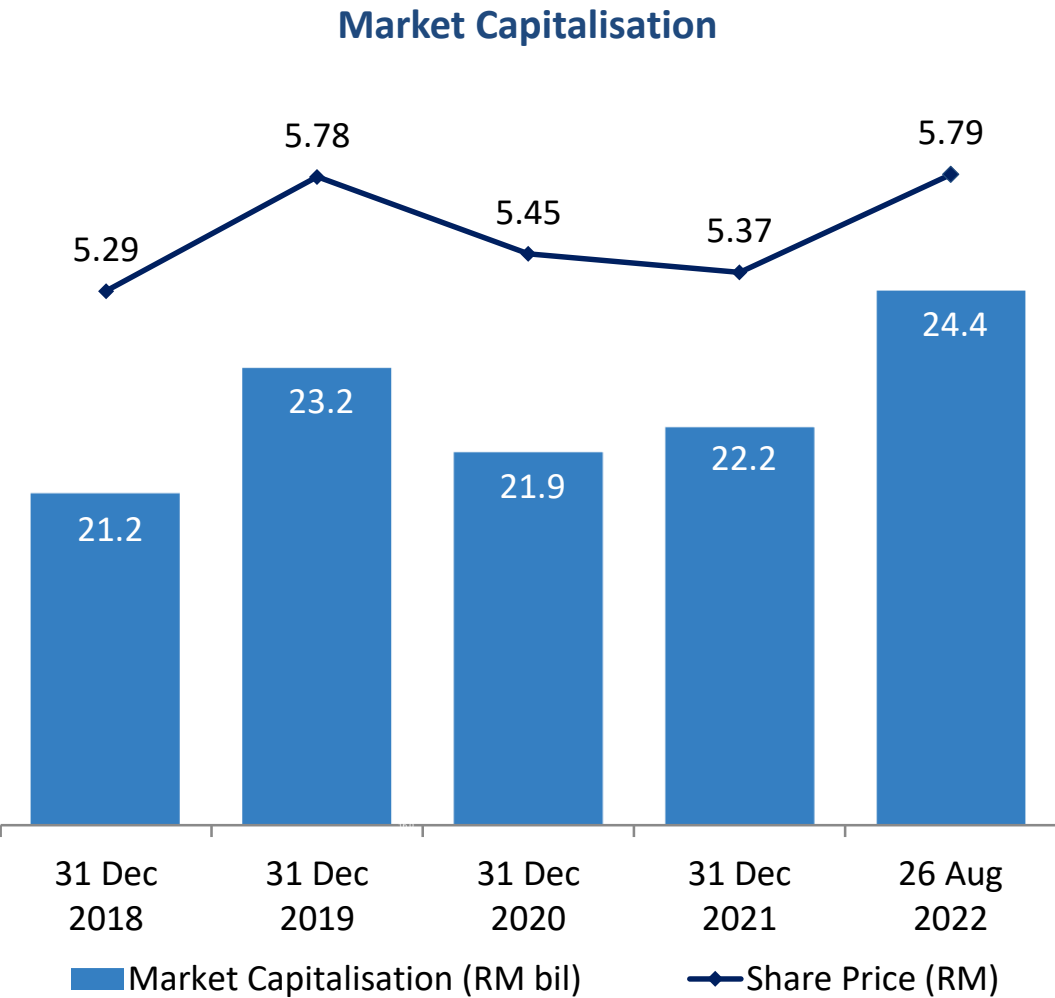
RHB Investment Bank



Dec 2021

Jun 2022





**Dividend Guidance**  
Minimum dividend payout ratio of 30% of net profit

3

Strategy Update

1

## Be the Primary Financial Services Provider

### Affluent

- Total AUM of Affluent customers grew to RM56.0 bil (+2.2% from Dec 2021)
- Premier Banking customers stood at 75.0k (-1.3% from Dec 2021)
- Total Wealth and Banca fee income was RM174.5 mil (-10.5% from Jun 2021)

### Mass Affluent

- Total AUM of Mass Affluent customers grew to RM12.1 bil (+2.2% from Dec 2021)
- Total Mass Affluent customers grew to 276.2k (+6.3% from Dec 2021)
- Total loans grew to RM23.5 bil (+39.3% from Dec 2021)

### SME

- Deposits increased to RM30.3 bil (+8.1% from Dec 2021)
- Loans grew to RM25.8 bil (+5.5% from Dec 2021)
- Total customers stood at 207,314 (-2.1% from Dec 2021)

### Large Cap

- 16.3% share of wallet in fee income of large-cap companies
- Penetration rate of large cap companies stood at 86.7%

### Mid Cap

- 20.8% share of wallet in fee income of mid-cap companies
- Penetration rate of mid-cap companies increased to 79.7%

2

## Integrate into Key Islamic Ecosystems

### Financing & Deposits

- Total Islamic financing increased to RM77.6 bil (+3.6% from Dec 2021)
- Islamic business contributed 43.6% of the Group's domestic loans and financing (from 43.0% in Dec 2021)
- Total Islamic deposits grew to RM72.5 bil (+1.2% from Dec 2021)

### Wealth

- Total Islamic Wealth AUM grew to RM790 mil (+12.9% from Dec 2021)



3

## Build an Integrated Overseas Business

### Singapore

- Total loans grew to SGD6,855 mil (+8.8% from Dec 2021) of which SGD3,016 mil are Corporate loans (+11.7% from Dec 2021) and SGD2,430 mil are Commercial/SME loans (+3.7% from Dec 2021)

### Cambodia

- Total loans grew to USD680 mil (+0.2% from Dec 2021) of which USD225 mil are Retail loans (+10.5% from Dec 2021) and USD126 mil are SME loans (-5.6% from Dec 2021)

4

## Catalyse Sustainability

### Sustainability

- Achieved more than RM11 billion in Sustainable Financial Services as at 30 June 2022 (cumulative)

5

## Employ Cutting Edge Technology

### IT Modernisation

- 54.5% of our systems have been modernised (from 50.0% in Dec 2021)
- Maintained our critical system uptime at 99.99%

### Smart Automation

- Automated 23% of our key processes (from 21% in Dec 2021)

6

Develop a  
Future-Ready  
Workforce

Workforce  
Optimisation

- Improved ‘Primary and Sales’ to ‘Support’ workforce ratio to 55.7% : 44.3% (from 55.5% : 44.5% in Dec 2021)
- Grew our Digital, IT and Analytics workforce mix to 7.2% of total employees (from 6.2% in Dec 2021)

Employee  
Experience

- Upskilled 45% of our Digital, IT and Analytics employees, equipping them with future-proofed skills

7

Accelerate  
Intelligent  
Banking  
Services

Analytics

- Continued to drive business performance via analytics with RM101.2 mil of benefits realised as at Jun 2022 (additional benefits include revenue uplift, cost savings and cost avoidance)

Ecosystems

- Digital transactions stood at 93% of our total transactions as at Jun 2022 (93% in Dec 2021)

4

Summary & Outlook

## Economic Outlook

- Q2 2022 GDP expanded 8.9% (Q1 2022: 5.0%) as domestic demand strengthened amid normalising economic activities
- For 2022, Malaysia's GDP is projected to grow by 6.0%; Banking industry is expected to remain resilient with loans growth forecast of 5.1%

## Income & Cost Mangement

- Net fund based income – OPR is expected to further increase towards a more normalised level
- Non-fund based income
  - Continue rebalancing our securities portfolio to support future net fund based income
  - Focus on wealth management fee income, especially in Islamic wealth management
- Continue to keep a tight rein on spending

## Loans & Deposits

- Loan growth drivers will still be mortgage, auto finance, SME and Singapore
- Focus on growing quality deposits despite competitive environment, maintain healthy CASA composition

## Asset Quality

- Continue to monitor the repayment behavior of vulnerable borrowers
- Remain prudent - maintain credit discipline and intensify recovery and collection efforts

## Capital & Liquidity

- Priority is to preserve liquidity strength and remain among the best capitalised banks in Malaysia
- Continue to exercise balance sheet discipline and grow assets responsibly
- Capital levels are expected to be well above our internal targets and the minimum regulatory requirement despite uncertainty surrounding the pace of economic recovery

- Delivered a resilient financial performance for the first half of the year on the backdrop of challenging operating environment
- Continue to reward our shareholders with an interim dividend of 15 sen per share, representing 51.2% payout
- With lingering headwinds expected to continue into the H2 2022, we will maintain our prudent stance and continuously monitor asset quality closely
- The Group remains focused on the execution of our 3-year strategy, TWP24

# THANK YOU

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

## INVESTOR RELATIONS CONTACT

Haryati Yahya

Direct Line : +(603) 9280 2489

Email : [haryati.yahya@rhbgrou.com](mailto:haryati.yahya@rhbgrou.com)



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





Appendix

- Domestic outstanding RA has reduced from 5% (RM9.2 bil) as at 30<sup>th</sup> April 2022 to 4% (RM7.5 bil) as at 31<sup>st</sup> July 2022
- The outstanding RA was mainly for R&R following the expiry of all Retail and SME deferments
- Repayment status for expired deferments as at 31<sup>st</sup> July 2022:
  - Retail & SME: 91% of expired deferments for both segments have resumed payments
  - Corporate & Commercial: 100% of expired deferments for both segments have resumed payments

% of Outstanding Loan Balance	Outstanding RA as at:				
	30 <sup>th</sup> Apr 2022		31 <sup>st</sup> Jul 2022		
	RM bil	%	No of accounts	RM bil	%
<b>Group Community Banking</b>	<b>7.2</b>	<b>6%</b>	<b>23,683</b>	<b>6.1</b>	<b>5%</b>
Retail	4.3	4%	20,205	3.3	3%
SME	2.9	11%	3,478	2.8	11%
<b>Group Wholesale Banking</b>	<b>2.0</b>	<b>4%</b>	<b>41</b>	<b>1.4</b>	<b>3%</b>
Corporate	1.1	3%	5	1.0	2%
Commercial	0.9	13%	36	0.4	6%
<b>Total Domestic</b>	<b>9.2</b>	<b>5%</b>	<b>23,724</b>	<b>7.5</b>	<b>4%</b>

Summary of outstanding RA by option (as at 31<sup>st</sup> Jul 2022):

- Retail & SME: 100% R&R
- Corporate & Commercial: 98% R&R and 2% Deferment

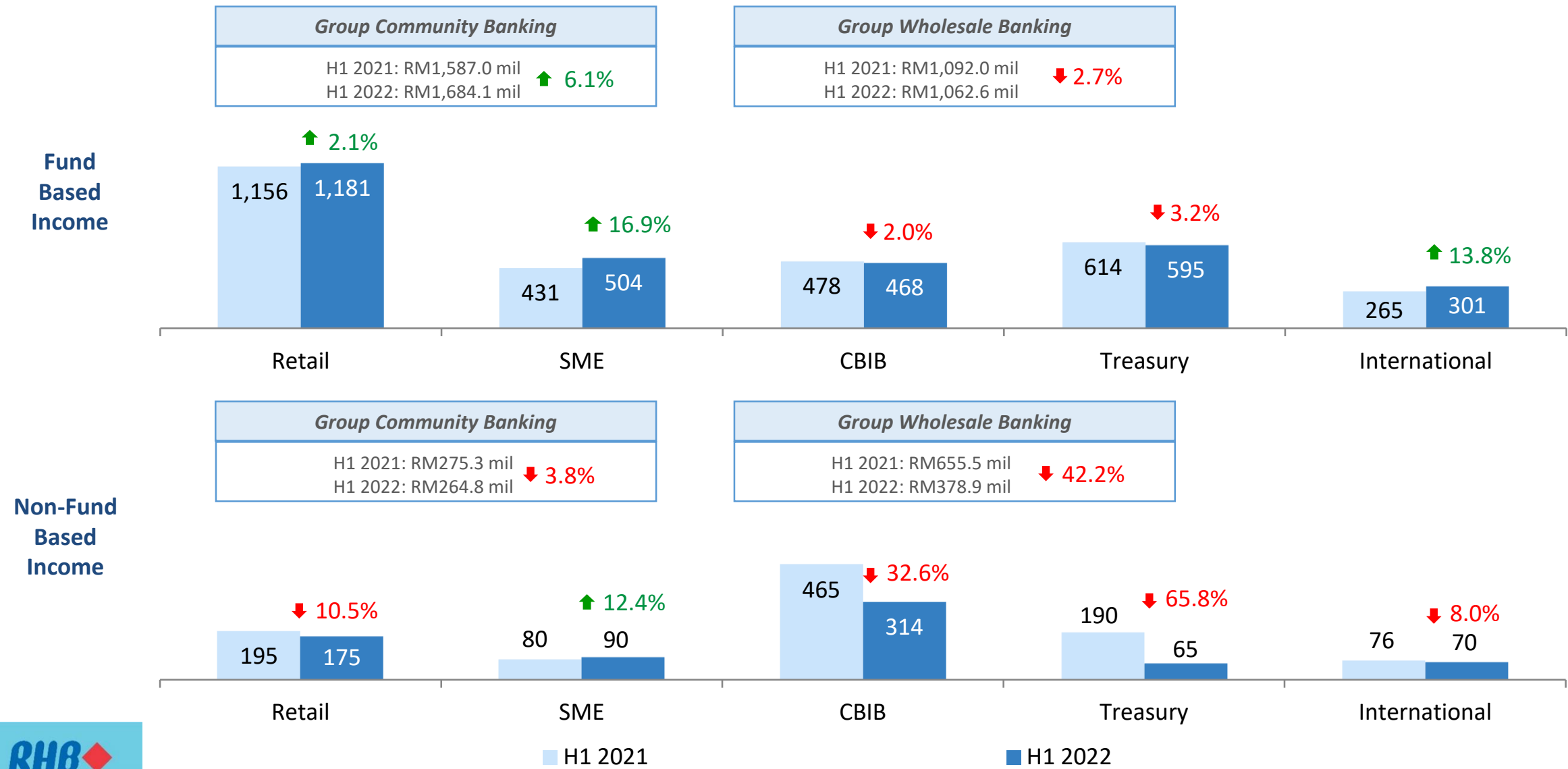
## Update on URUS Applications

- As at 31<sup>st</sup> July 2022, total applications which have been approved by AKPK was RM443 million, representing 0.4% of total Retail portfolio



Financial Data RM'mil	FY2018	FY2019	FY2020	FY2021	H1 2022
<b>Income Statement</b>					
Total Income	6,806	7,058	7,186	7,789	3,849
Operating Profit Before Allowances	3,448	3,670	3,799	4,266	2,102
Profit Before Tax	3,119	3,394	2,644	3,529	1,909
Net Profit	2,305	2,482	2,033	2,618	1,235
<b>Balance Sheet</b>					
Total Assets	243,166	257,592	271,150	289,541	299,653
Gross Loans	168,879	176,175	186,114	198,512	204,926
Customer Deposits	178,856	190,555	203,471	218,733	225,942
Shareholders' Equity	23,358	25,775	27,024	27,998	27,428
<b>Per Share</b>					
Earnings (sen)	57.5	61.9	50.7	64.7	29.8
Net Assets (RM)	5.82	6.43	6.74	6.76	6.51
Dividend (sen)	20.50	31.00	17.65	40.00	15.00

Financial Ratios	FY2018	FY2019	FY2020	FY2021	H1 2022
<b>Profitability</b>					
Return on Equity	10.3%	10.3%	7.7%	9.6%	<b>9.1%</b>
Net Interest Margin	2.24%	2.12%	2.13%	2.20%	<b>2.18%</b>
Cost to Income Ratio	49.3%	48.0%	47.1%	45.2%	<b>45.4%</b>
<b>Asset Quality</b>					
Gross Impaired Loan Ratio	2.06%	1.97%	1.71%	1.49%	<b>1.62%</b>
Credit Cost	0.19%	0.18%	0.58%	0.29%	<b>0.16%</b>
Loan Loss Coverage Ratio (excl. Reg. Reserves)	93.3%	85.7%	119.7%	122.4%	<b>117.0%</b>
Loan Loss Coverage Ratio (incl. Reg. Reserves)	103.0%	107.9%	119.7%	124.2%	<b>120.3%</b>
<b>Liquidity</b>					
Loan to Deposit Ratio	94.4%	92.5%	91.5%	90.8%	<b>90.7%</b>
CASA Ratio	25.9%	25.7%	30.9%	30.0%	<b>29.3%</b>
Liquidity Coverage Ratio	143.0%	152.7%	146.9%	155.7%	<b>140.9%</b>
<b>Capital Adequacy</b>					
Common Equity Tier I Capital Ratio	15.5%	16.3%	16.2%	17.2%	<b>16.6%</b>
Tier I Capital Ratio	15.7%	16.3%	16.2%	17.2%	<b>16.6%</b>
Total Capital Ratio	18.8%	18.6%	18.4%	19.8%	<b>19.2%</b>

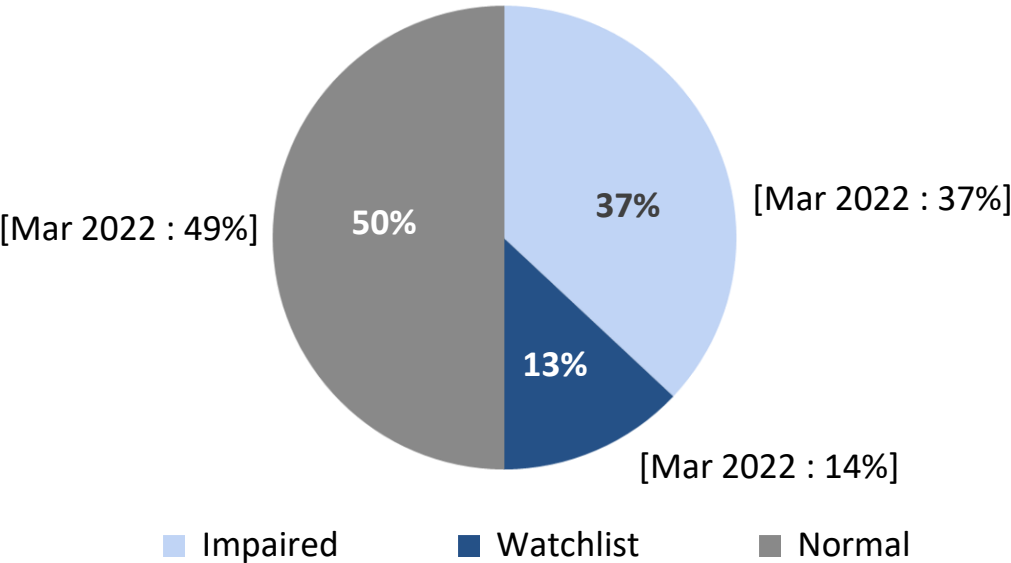


\*Figures in RM' million

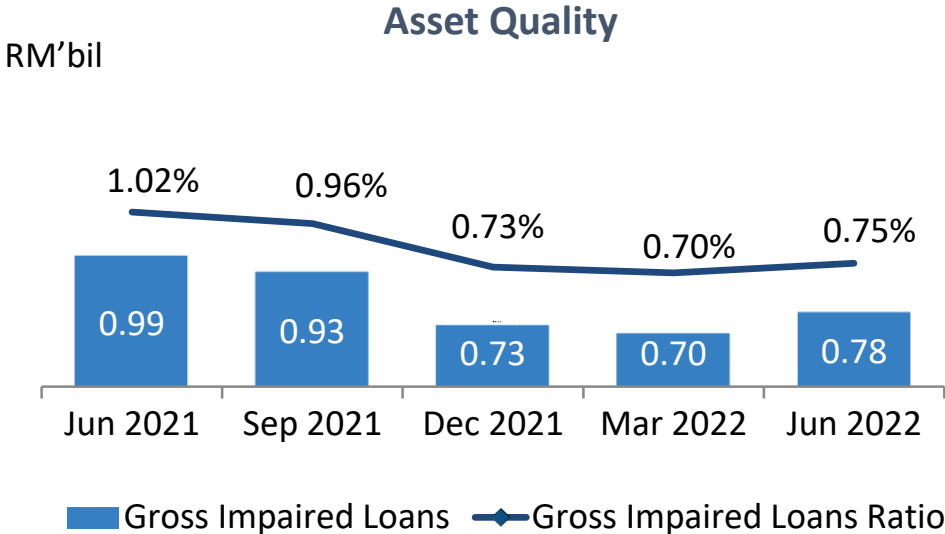
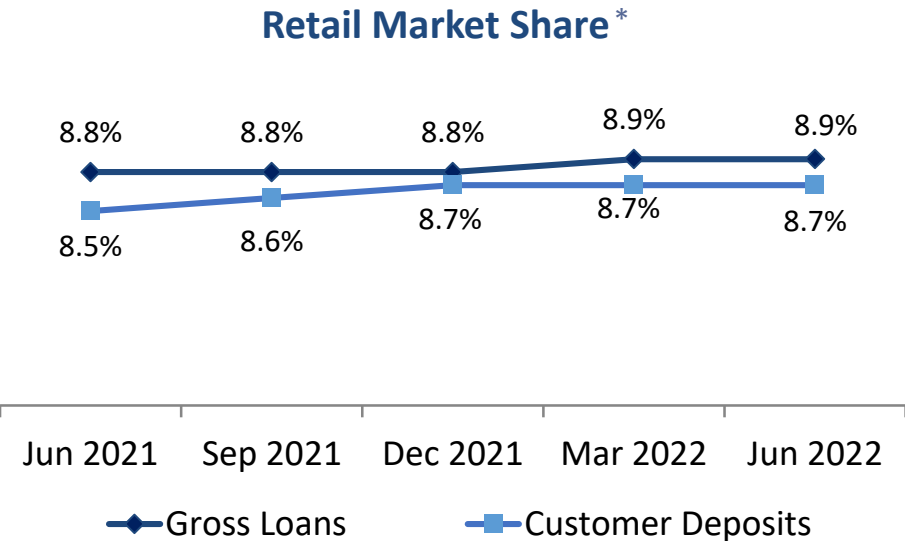
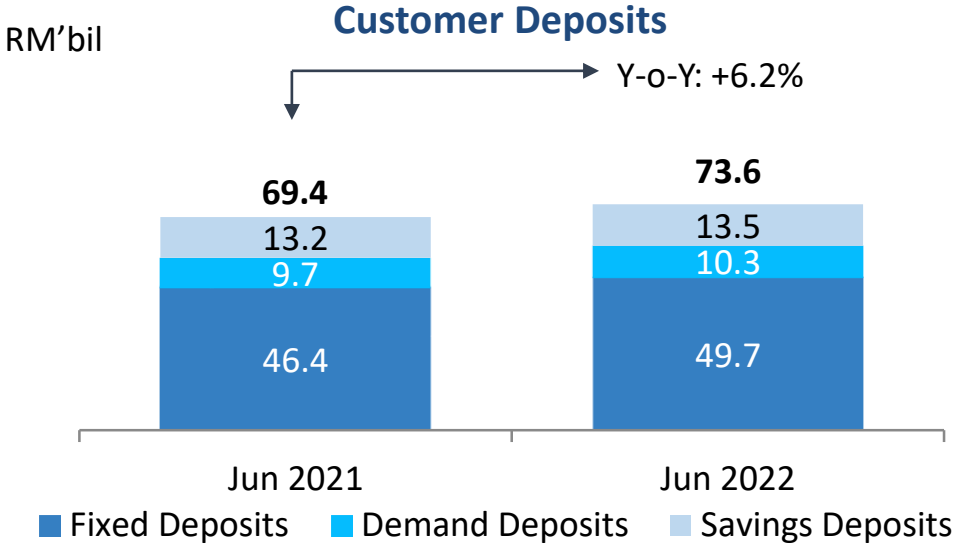
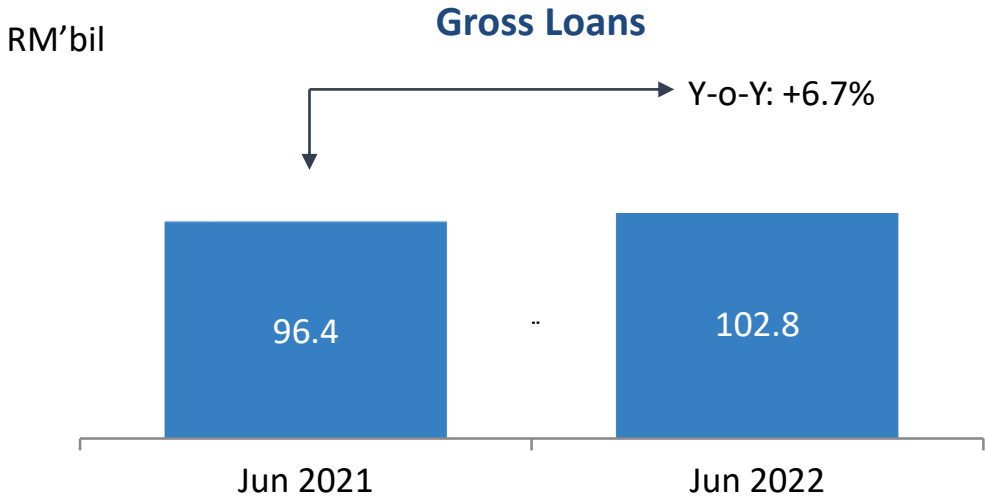


Loans + Bonds Outstanding	Oil and Gas Related Industry					
	Upstream		Downstream		Total	
	RM'bil	% to Gross Loans	RM'bil	% to Gross Loans	RM'bil	% to Gross Loans
Jun 2022	2.5	1.2%	1.1	0.5%	3.6	1.7%
Dec 2021	2.3	1.2%	1.4	0.7%	3.7	1.9%
Dec 2020	2.8	1.5%	1.0	0.5%	3.8	2.0%
Dec 2019	2.5	1.4%	1.6	1.0%	4.2	2.4%

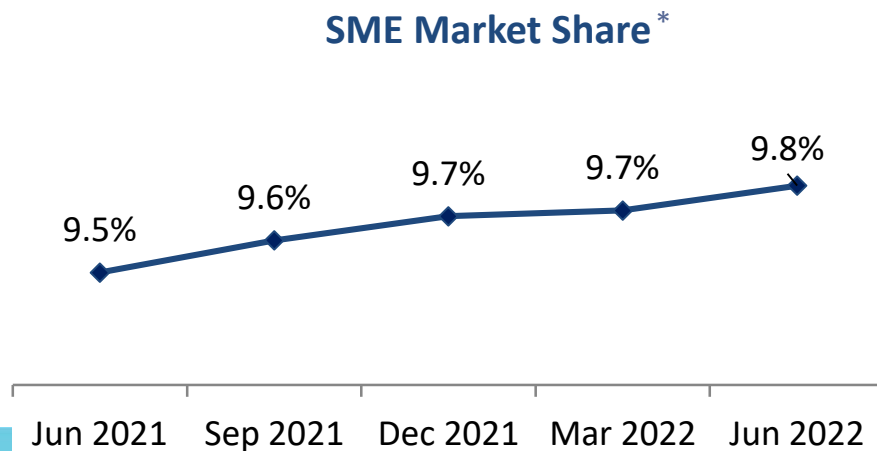
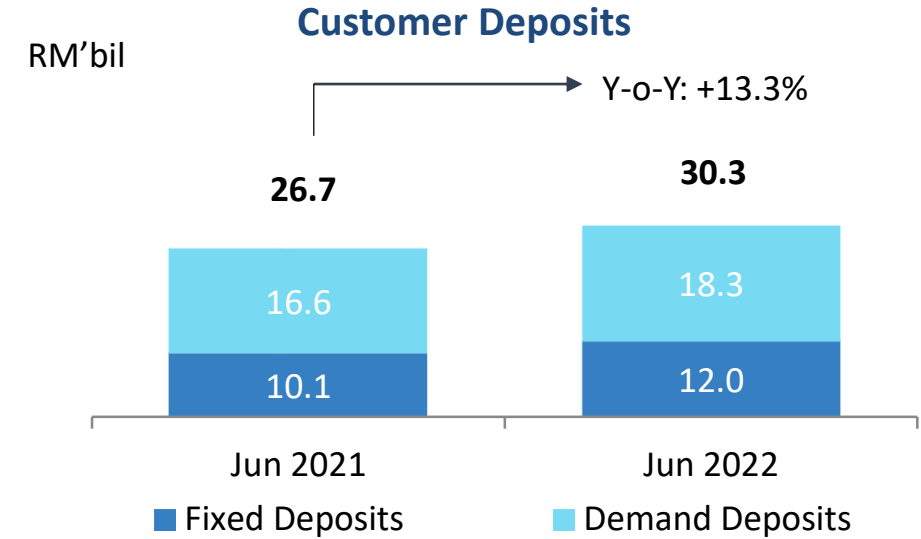
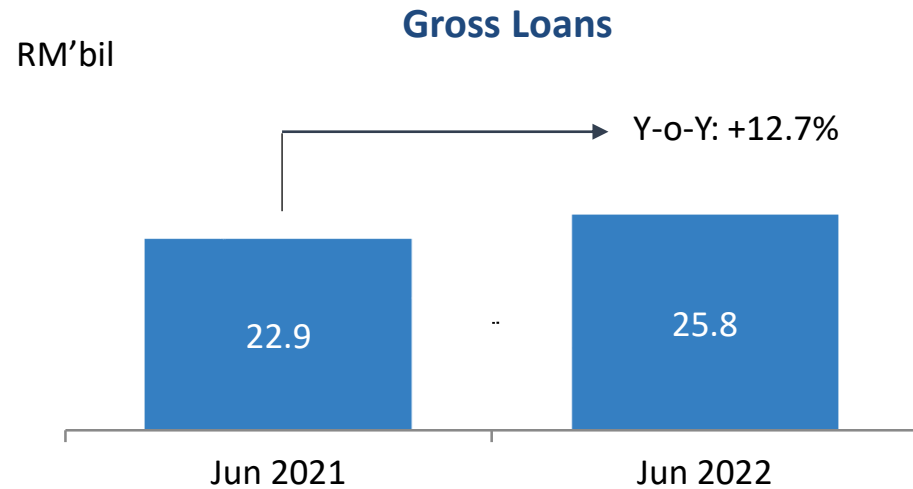
Oil & Gas Exposure



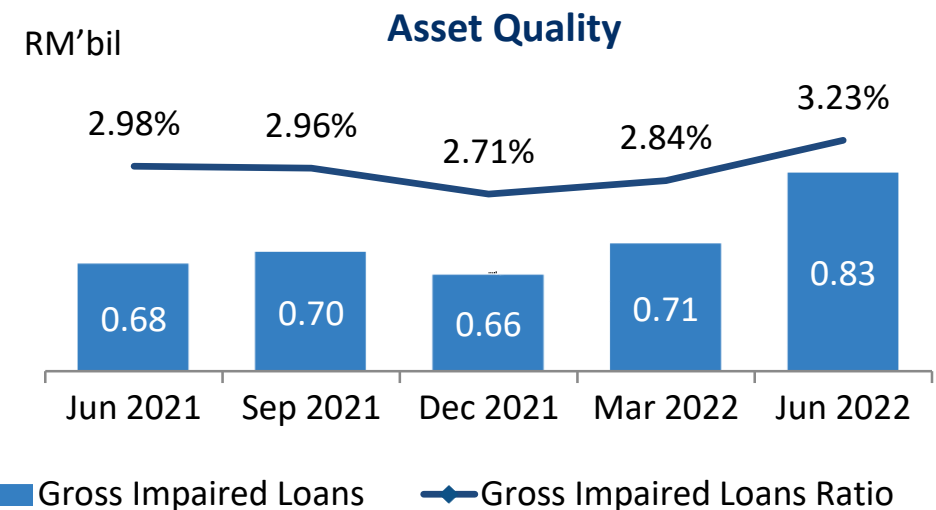
Country	% of Loans Outstanding
Malaysia	82%
Singapore	18%



\* % of Retail Loans / Deposits to total for industry (Household sector) as reported in BNM Statistics

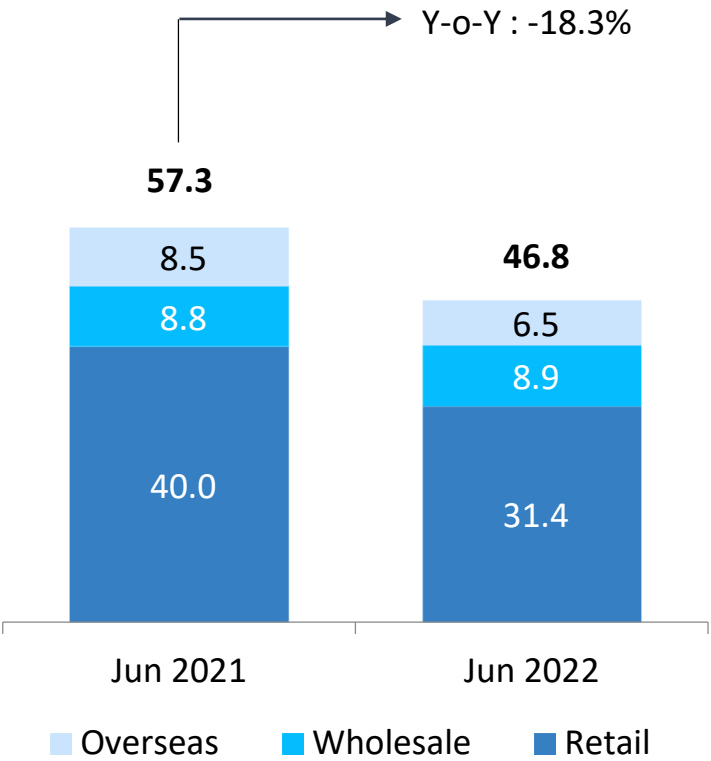


\* % of SME loans to total for industry (excluding DFIs) as reported in BNM Statistics



RM'bil

Asset Under Management



Market Share

10.3%

9.4%



YTD Jun 2022	Market Share	Ranking
Equities Broking: - By value - By volume	6.8% 8.9%	6 <sup>th</sup> 4 <sup>th</sup>
Debt Capital Markets: - MYR sukuk - Total MYR bonds (Conventional & Islamic bonds)	18.9% 16.8%	3 <sup>rd</sup> 3 <sup>rd</sup>
Equity Capital Markets	1.3%	13 <sup>th</sup>
Mergers & Acquisition: - By value - By deal count	70.6% 3	1 <sup>st</sup> Joint 1 <sup>st</sup>

CF/ECM

DCM

M&A



**Farm Fresh Berhad**  
RM1.0 bil IPO  
*Joint Underwriter*

**Danum Capital Berhad**

**Danum Capital Berhad**  
Issuance of RM2.0 bil Sukuk Danum  
under its RM20.0 bil Sukuk Danum Programme  
*Joint Lead Manager*



**TSH Resources Berhad**  
RM731.1 mil  
Proposed disposal by PT Bulungan Citra Agro Persada  
("BCAP"), a 90%-owned subsidiary of TSH Resources  
Berhad  
*Principal Adviser*



**CTOS Digital Berhad**  
RM465.9 mil Placement & Selldown  
*Joint Placement Agent*



**Malaysia Airports Holdings Bhd**  
Issuance of RM800.0 mil Senior Sukuk Wakalah under its  
RM5.0 bil Sukuk Wakalah Programme  
*Joint Lead Manager*



**Custom Food Ingredients Sdn Bhd**  
RM160.0 mil  
Partial disposal of equity interest  
*Financial Adviser*



**Mr D.I.Y Group (M) Berhad**  
RM171.2 mil Selldown  
*Joint Placement Agent*

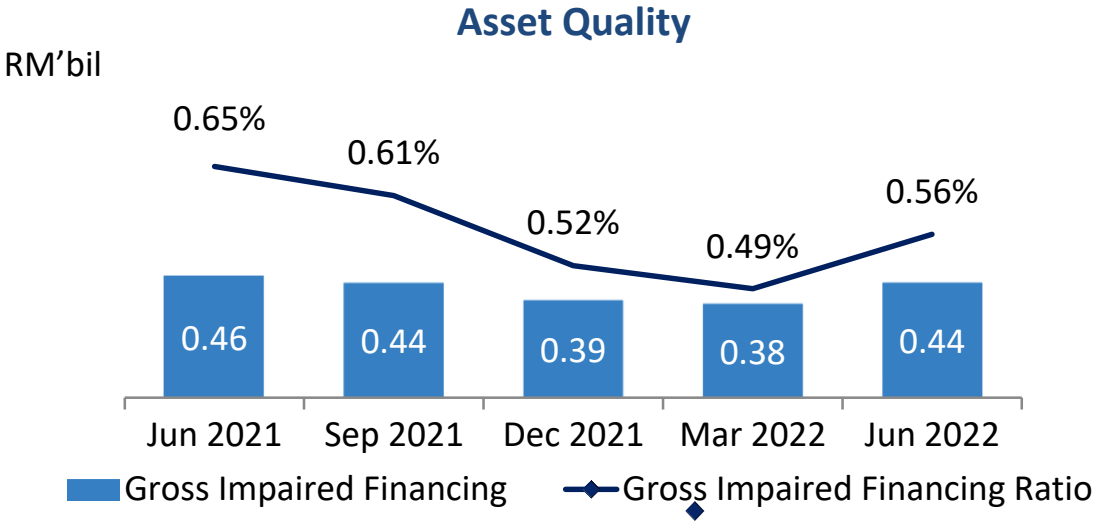
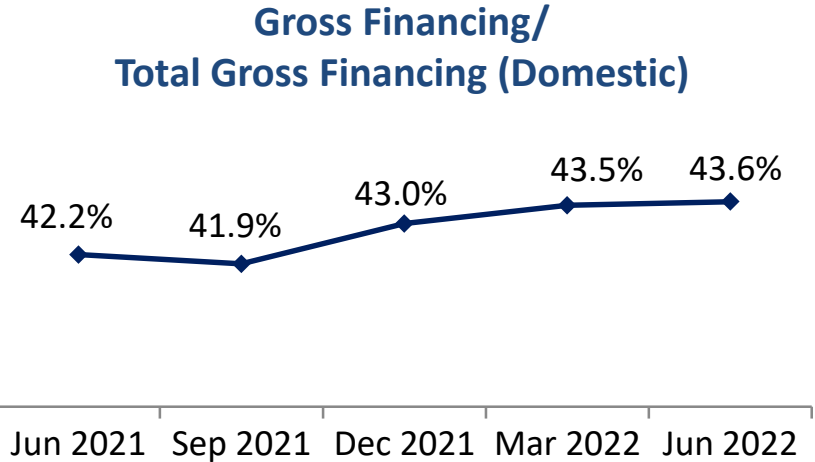
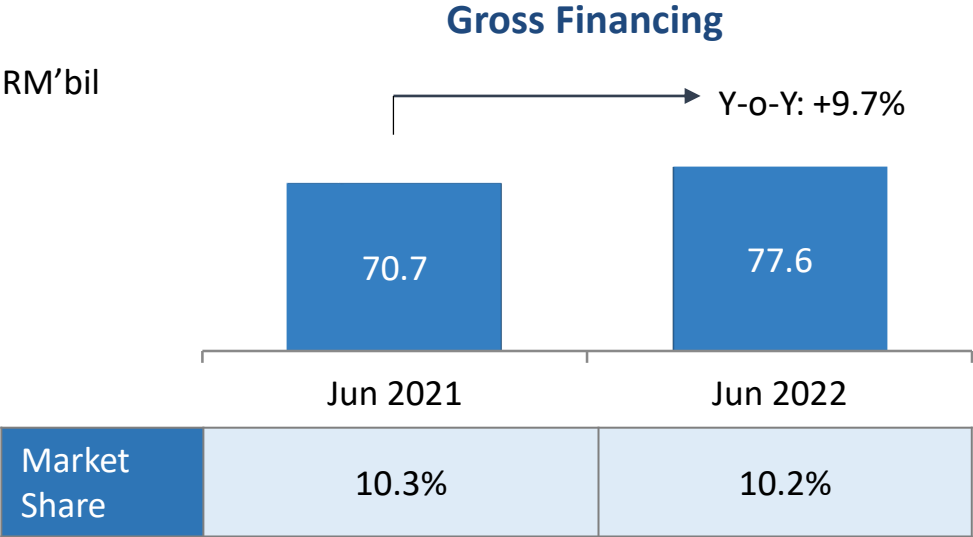
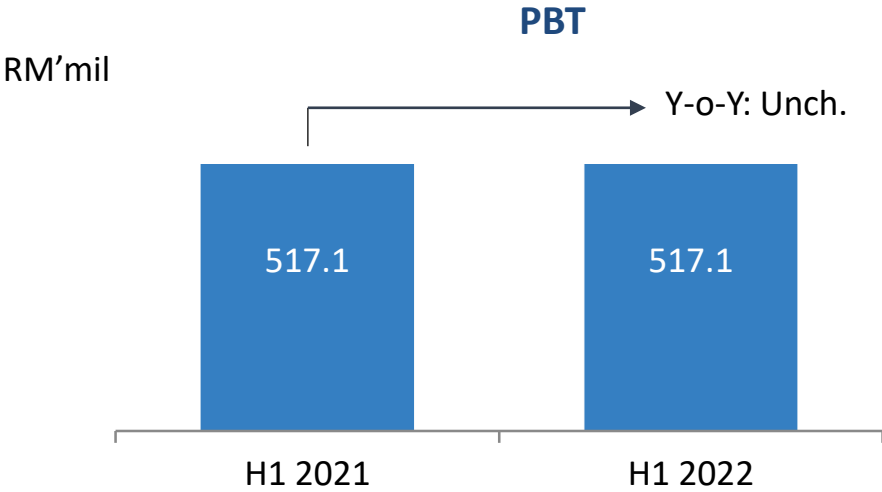


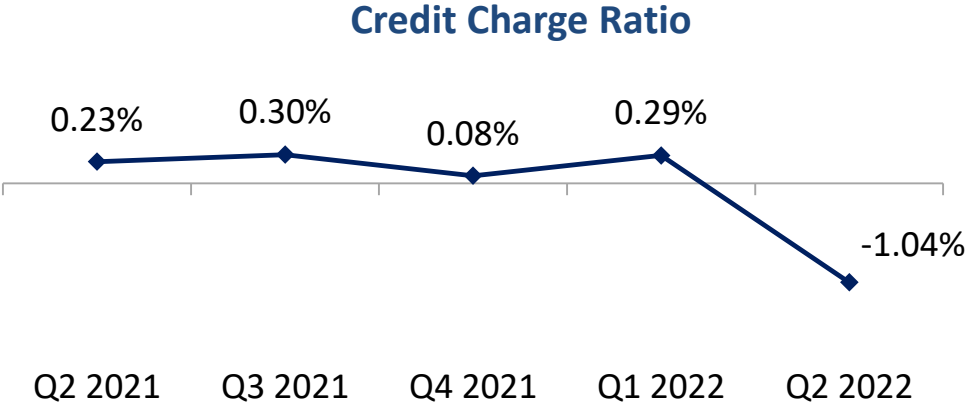
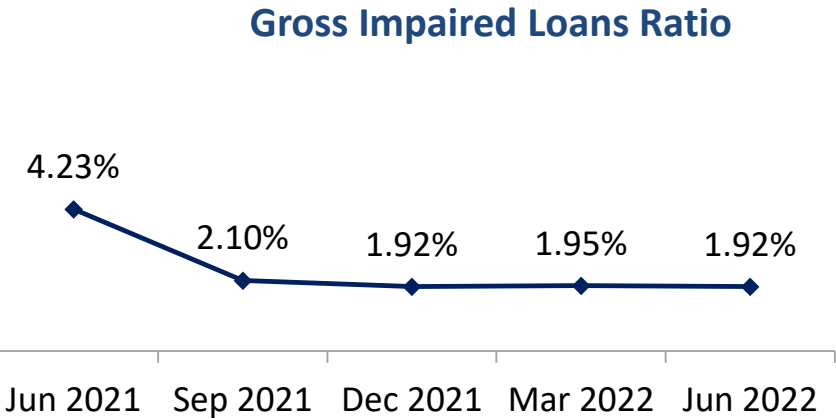
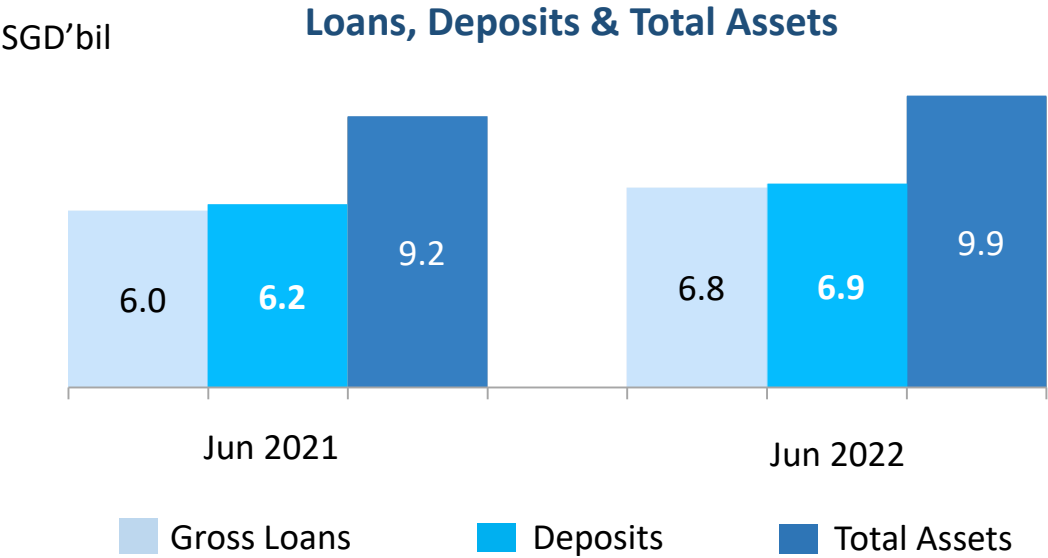
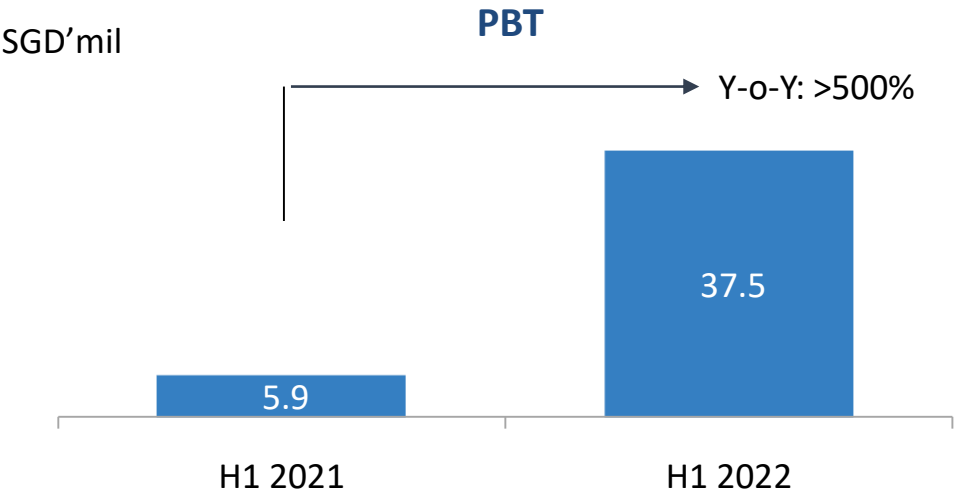
**PONSB Capital Berhad**  
Issuance of RM700.0 mil under its under its RM4.0 bil Islamic  
Medium Term Notes Programme  
*Joint Lead Manager*



**MMC Corporation Berhad**  
RM2,937.9 mil  
Seaport Terminal (Johor) Sdn Bhd's privatisation of MMC  
Corporation Berhad by way of a selective capital reduction  
and repayment exercise  
*Principal Adviser, Lead Transaction Manager & Joint Lead  
Arranger*







RM'mil	Jun 2021	Dec 2021	Mar 2022	Jun 2022	Q-o-Q	YTD	Y-o-Y
<b>Overseas Operations</b>	<b>23,260</b>	<b>24,433</b>	<b>25,443</b>	<b>26,887</b>	<b>5.7%</b>	<b>10.0%</b>	<b>15.6%</b>
<b>Singapore</b>	<b>18,578</b>	<b>19,446</b>	<b>20,503</b>	<b>21,697</b>	<b>5.8%</b>	<b>11.6%</b>	<b>16.8%</b>
<b>Others</b>	<b>4,682</b>	<b>4,987</b>	<b>4,940</b>	<b>5,190</b>	<b>5.1%</b>	<b>4.1%</b>	<b>10.9%</b>
Cambodia	2,607	2,829	2,780	2,998	7.8%	6.0%	15.0%
Thailand	1,624	1,721	1,755	1,827	4.1%	6.2%	12.5%
Brunei	192	184	182	184	1.1%	-	-4.2%
Indonesia	107	131	115	89	-22.6%	-32.1%	-16.8%
Laos	152	119	105	88	-16.2%	-26.1%	-42.1%
Vietnam	-	3	3	4	33.3%	33.3%	-