

**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

Minutes of the 58<sup>th</sup> Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “the Company” or “the Bank”) held virtually at Meeting Room, Level 2, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur (“Broadcast Venue”) and via the Remote Participation and Electronic Voting facilities at <https://meeting.boardroomlimited.my> on Friday, 10 May 2024 at 9.30 a.m.

**Present** : YBhg Tan Sri Ahmad Badri Mohd Zahir – Chairman  
 YBhg Tan Sri Ong Leong Huat @ Wong Joo Hwa  
 Ms Ong Ai Lin  
 Mr Lim Cheng Teck  
 YBhg Dato' Mohamad Nasir Ab Latif  
 Mr Donald Joshua Jaganathan  
 YBhg Datuk Iain John Lo  
 Puan Hijah Arifakh Othman  
 Puan Nadzirah Abdul Rashid  
 Encik Mohd Rashid Mohamad – Group Managing Director

**In Attendance** : Encik Azman Shah Md Yaman  
 - Head of Group Legal, Secretariat & Governance/  
 Group Company Secretary

External Auditors: Messrs PricewaterhouseCoopers PLT

Share Registrar/Poll Administrator: Boardroom Share Registrars Sdn Bhd

Independent Scrutineers: KPMG Management & Risk Consulting Sdn Bhd (“KPMG MRC”).

Advocates & Solicitors: Messrs Kadir Andri & Partners (*vide video conferencing*)

**By Invitation** : As per Attendance List

**Shareholders, Proxies and Corporate Representatives** : As at 9.30 a.m., a total of 1,396 Members (comprising shareholders, proxies and corporate representatives) for a total of 2,880,453,030 shares representing approximately 67.20% of the total shareholdings have logged in for the Company’s 58<sup>th</sup> AGM (“and/or the Meeting”) through the Remote Participation and Electronic Voting (“RPEV”) facilities per the Attendance Record.  
 (collectively be referred to as “Members” hereinafter)

**Chairman** : YBhg Tan Sri Ahmad Badri Mohd Zahir took his seat as the Chairman of the Meeting.

**Quorum** : The requisite quorum was present pursuant to Clause 56 of the Company’s Constitution. The Meeting was duly convened.

**Notice of Meeting** : The Notice of Meeting dated 5 April 2024 as included in the Integrated Report having been served to all Members was taken as read.

### **Preliminary**

The Meeting was called to order and the Chairman welcomed the Members to the 58<sup>th</sup> AGM of the Company.

The Chairman informed the Members that the convening of the Meeting was in compliance with Section 327 of the Companies Act 2016 which stipulates that the Chairman shall be at the main venue of the AGM, and also in accordance with Clause 50 of the Company's Constitution which allows the AGM to be held at more than one (1) venue using any instantaneous telecommunication device that allows Members to participate in the Meeting. The Meeting was also convened in accordance with the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers.

The Chairman then introduced the Members of the Board of Directors ("the Board"), the Group Company Secretary as well as the representative(s) from the External Auditors, Share Registrar/Poll Administrator and Independent Scrutineers of the Company who were present at the Broadcast Venue.

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Meeting were to be voted by poll.

In this regard, the Chairman put the Meeting on notice of the exercise of his right as the Chairman of the Meeting to demand for a poll in accordance with Clause 60 of the Company's Constitution, in respect of all resolutions which were to be put to vote at the Meeting.

The Members were informed that Boardroom Share Registrars Sdn Bhd was appointed as the Poll Administrator to conduct the poll by way of electronic polling, and KPMG MRC was appointed as Independent Scrutineers to validate the poll results.

A short video presentation by Boardroom Share Registrars Sdn Bhd was screened to demonstrate to the Members present on the process for online voting via the RPEV facilities.

The Chairman further declared the voting session opened and informed the Members that they may start to register their votes electronically for all resolutions set out in the Notice of Meeting until the conclusion of such session which will then be announced.

### **1. Highlights of The Group's Financial Performance By The Group Managing Director ("GMD")**

1.1 The Chairman invited the GMD to present the Group's financial performance highlights, as summarised below:

(i) Key Highlights of Financial Year 2023 (“FY2023”)

- (a) The Group achieved a net profit of RM2.80 billion, a 4.8% growth-based Year-on-Year (“Y-o-Y”) which enabled the Bank to create value for its stakeholders.
- (b) The Group’s return on equity (“ROE”) stood at 9.5%.
- (c) The Group maintained sound fundamentals with strong capital and liquidity levels.
- (d) FY2023 dividend amounts to 40 sen per share with payout ratio of 61.1%.
- (e) The Group continued to strengthen its Environmental, Social and Governance (“ESG”) practices into the business and operations through:
  - Mobilised more than RM23.8 billion in Sustainable Financial Services (“SFS”); and
  - Revised SFS commitment from RM20 billion to RM50 billion by 2026.
- (f) The Group recorded Net Promoter Scores (“NPS”) of +20 in 2024 and ranked second in the Malaysian banking industry.
- (g) The Group was also awarded with Bronze Award in Banking, Investment and Insurance at the Putra Brand Awards 2023.

(ii) FY2023 Performance Review

- (a) The Group delivered a resilient FY2023 performance supported by higher non-fund based income and lower ECL.
- (b) The Group’s net fund based income growth was moderated by higher funding costs with Net Interest Margin (“NIM”) at 1.82%. Whilst, the non-fund based income growth driven by higher treasury income and fee income.
- (c) The Group’s loans growth led mainly by Singapore and Group Community Banking [especially mortgage and Small & Medium Enterprise (“SME”)].
- (d) The Group’s deposits growth attributed to higher Fixed Deposits (“FD”) and Current Account and Saving Account (“CASA”). The CASA composition at 27.9% for FY2023.
- (e) The Group’s asset quality impacted by higher impairments in SME and Overseas segments but with good collateral coverage.

- (f) The Group's remained resilient in FY2023 amid persistently challenging operating environment.

(iii) Strategy Update

FY2023 results on ROE, Cost-to-Income Ratio ("CIR") and NPS are on track to meet TWP24 targets, summarised as follows:

- (a) ROE at 9.5% (compared to 9.6% in FY2022) whilst the TWP24 target is 11.5%.
- (b) CIR at 47.5% (compared to 44.2% in FY2022) whilst the TWP24 target is  $\leq 44.5\%$ .
- (c) NPS ranked as Top 2 (compared to #3 in FY2022) whilst the TWP24 target is to be Top 3.

(iv) Key Initiatives 2024

- (a) RHB-Boost Digital Bank Launch
- Boost Bank received approval from Bank Negara Malaysia ("BNM") and Ministry of Finance ("MOF") in January 2024.
  - The Digital Bank is currently in 'alpha' testing phase.
  - Initial products are Savings Account and Jars with lending products to come online subsequently.
- (b) Bancassurance Partnership Renewal
- RHB Bank's current banca partnerships for conventional life insurance and family & general takaful is ending December 2024 and July 2025, respectively.
  - RHB have kicked off the evaluation process for the Bank's next long-term partnership with targeting to finalise by end 2024.
- (c) Education Partnership Expansion
- Through RHB's partnership with Ministry of Higher Education ("MoHE"), RHB Bank have onboarded more than 600,000 public university students ("MySiswa").
  - This year, RHB Bank plan to expand further by establishing more partnerships with other higher learning institutions.
- (d) Sustainability Strategy Refinement
- RHB Bank is increasing its Sustainable Financial Services target to RM50.0 billion by 2026 (from RM20.0 billion).
  - RHB Bank is on track to achieve carbon neutral operations by 2030, and the Bank is developing a pathway to achieve Net Zero by 2050.

(v) Key Highlights: Digital Enhancements

- (a) New RHB Mobile Banking and RHB Online Banking Platforms.
- (b) Implemented features to combat online fraud.

- (c) MyHome App and Partners App.
- (d) Expanded the offerings for Multi-Currency Visa Debit Card/-i.
- (e) SME Banking Segments – Build sectorial expertise and expand ecosystems.
- (f) Transform digital channels to serve all banking and investment needs.
- (g) Introduction of DuitNow QR Plug & Play sound box.
- (h) Introduction of RHB e-QMS App.
- (i) Digitised RHB beyond Malaysia – Expanding digital channels to Singapore and Cambodia.

(vi) Concluding Remarks

- (a) Malaysia’s Gross Domestic Product (“GDP”) is expected to improve to 4.6% in 2024, compared to 3.7% GDP in 2023. Nevertheless, down side risks remain mainly from prolonged high interest rates in advanced economies and escalation of geopolitical conflicts.
- (b) The Overnight Policy Rate (“OPR”) is expected to be conducive and supportive of economic growth. Nevertheless, the NIM expected to continue facing head winds with emphasis on stabilisation via funding cost optimisation, active liability management and disciplined pricing strategy.

RHB Bank would focus on growing fee income, especially in Investment Banking-related and asset management fees.

Maintain strong cost discipline but will continue to invest in IT and Digital to drive innovations and efficiencies.

- (c) Mortgage, auto finance, SME and Singapore remain as the primary drivers for loans growth whilst CASA will continue to be a key priority.
- (d) The Group will sharp focus on asset quality management through disciplined monitoring of delinquencies, intensify recovery efforts by balancing the transparency and building up the Loan Loss Coverage (“LLC”).
- (e) The Group targets to preserve liquidity strength and remain among the best capitalised banks in Malaysia and consistent dividend payout to reward shareholders. Even so, RHB Bank will maintain prudence in preparation of potential impact of new Basel 3, if any.

*(Full details of the presentation slides can be viewed from RHB’s website at <https://www.rhbgroup.com/investor-relations/overview/corporate-announcements/index.html>.)*

**2. Responses To Issues By Minority Shareholders Watch Group (“MSWG”)**

- 2.1 The GMD continued to brief the Members on the issues raised by MSWG which were received by the Company via their letter dated 3 May 2024. The GMD informed the Meeting that the Company had responded to MSWG vide letter dated 9 May 2024.
- 2.2 The complete list of questions raised by MSWG together with the answers for the same is attached as **Attachment 1**.
- 2.3 The Chairman thanked the GMD for sharing the responses to MSWG with the Meeting.

*(Full details of the questions and responses can also be viewed from RHB's website at <https://www.rhbgroup.com/investor-relations/overview/corporate-announcements/index.html>.)*

**3. Question and Answer (“Q&A”) Session With Members (Including Pre-AGM Questions)**

- 3.1 The Chairman highlighted that the Company had received questions from the Members through various mediums and invited the GMD to address the said questions.
- 3.2 The GMD briefed the Members by reading out the questions submitted by the Members prior to the Meeting and the Management's responses for the same.
- 3.3 The complete list of questions received prior to the 58<sup>th</sup> AGM together with the answers for the same is attached as **Attachment 2**.
- 3.4 The GMD further responded to the questions received from the Members during the Meeting, and provided the responses for the same, accordingly.
- 3.5 The complete list of questions received during the 58<sup>th</sup> AGM together with the answers for the same is attached as **Attachment 3**.
- 3.6 Tan Sri Chairman concluded the Q&A session and proceeded with the Agenda.

*(Full details of the questions and responses can also be viewed from RHB's website at <https://www.rhbgroup.com/investor-relations/overview/corporate-announcements/index.html>.)*

**4. Agenda 1: Audited Financial Statements Of The Company For The Financial Year Ended 31 December 2023 (“The Audited Financial Statements”) And The Directors’ And Auditors’ Reports Thereon**

- 4.1 The Audited Financial Statements together with Directors’ and Auditors’ Reports thereon, which have been circulated to the shareholders within the prescribed period, were taken as read.

- 4.2 In accordance with Section 340(1) of the Companies Act 2016, the Audited Financial Statements together with Directors' and Auditors' Reports thereon were laid before the Meeting for discussion. As the formal approval of the Members was not required for this agenda item, the matter was not put forward for voting.
- 4.3 It was recorded that the Audited Financial Statements of the Company had been duly received and adopted by the Members.

**5. Agenda 2(i) : Re-Election of YBhg. Tan Sri Ahmad Badri Mohd Zahir, As A Director Pursuant To Clause 94 of the Company's Constitution (Ordinary Resolution 1)**

- 5.1 The Chairman informed the Meeting that in accordance with Clause 94 of the Company's Constitution, one-third ( $\frac{1}{3}$ ) of the Directors shall retire every year and are eligible for re-election.
- 5.2 The Chairman recused himself from tabling this Agenda item and passed the chair to Ms Ong Ai Lin, being the Senior Independent Director to preside over the resolution.
- 5.3 Accordingly, YBhg. Tan Sri Ahmad Badri Mohd Zahir shall retire pursuant to Clause 94 and, being eligible, had offered himself for re-election, under the following Ordinary Resolution 1:  
  
"THAT YBhg. Tan Sri Ahmad Badri Mohd Zahir, who retires pursuant to Clause 94 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company".
- 5.4 Ms Ong Ai Lin subsequently handed over the chair to YBhg. Tan Sri Ahmad Badri Mohd Zahir to continue and preside over the remaining Agenda and Resolutions.

**6. Agenda 2(ii): Re-Election of YBhg Datuk Iain John Lo As A Director Pursuant To Clause 94 Of The Company's Constitution (Ordinary Resolution 2)**

- 6.1 The Chairman informed the Meeting that in accordance with Clause 94 of the Company's Constitution, one-third ( $\frac{1}{3}$ ) of the Directors shall retire every year and are eligible for re-election. Accordingly, YBhg. Datuk Iain John Lo shall retire pursuant to Clause 94 and, being eligible, has offered himself for re-election, under the following Ordinary Resolution 2:  
  
"THAT YBhg. Datuk Iain John Lo, who retires pursuant to Clause 94 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company."

**7. Agenda 2(iii): Re-Election Of Mr Lim Cheng Teck As A Director Pursuant To Clause 94 Of The Company's Constitution (Ordinary Resolution 3)**

7.1 The Chairman highlighted that Mr Lim Cheng Teck shall also retire pursuant to Clause 94 of the Company's Constitution, one-third ( $\frac{1}{3}$ ) of the Directors shall retire every year and are eligible for re-election. Accordingly, Mr Lim Cheng Teck shall retire and, being eligible, has offered himself for re-election, under the following Ordinary Resolution 3:

"THAT Mr Lim Cheng Teck, who retires pursuant to Clause 94 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company."

**8. Agenda 3(i): Re-Election Of Puan Hijah Arifakh Othman As A Director Pursuant To Clause 98 Of The Company's Constitution (Ordinary Resolution 4)**

8.1 The Chairman highlighted that Puan Hijah Arifakh Othman shall retire pursuant to Clause 98 of the Company's Constitution and eligible for re-election. Accordingly, Puan Hijah Arifakh Othman shall retire and, being eligible, has offered herself for re-election, under the following Ordinary Resolution 4:

"THAT Puan Hijah Arifakh Othman, who retires pursuant to Clause 98 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

**9. Agenda 3(ii): Re-Election Of Puan Nadzirah Abd Rashid As A Director Pursuant To Clause 98 Of The Company's Constitution (Ordinary Resolution 5)**

9.1 The Chairman highlighted that Puan Nadzirah Abd Rashid shall also retire pursuant to Clause 98 of the Company's Constitution and eligible for re-election. Accordingly, Puan Nadzirah Abd Rashid shall retire and, being eligible, has offered herself for re-election, under the following Ordinary Resolution 5:

"THAT Puan Nadzirah Abd Rashid, who retires pursuant to Clause 98 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

**10. Agenda 4: Payment Of Directors' Remuneration (Directors' Fees And Board Committees' Allowances) To The Non-Executive Directors For The Period From The 58<sup>th</sup> AGM Of The Company To The 59<sup>th</sup> AGM Of The Company (Ordinary Resolution 6)**

10.1 The Chairman apprised the Members that the abovementioned Directors' remuneration consists of Directors' fees and annual Board Committees' allowances. The remuneration structure is similar to the fee structure approved by the shareholders at the 57<sup>th</sup> AGM held last year on 10 May 2023 and no increase to the fees has been proposed for 2024.



- 10.2 Accordingly, the Ordinary Resolution 6 was presented before the Members for approval:

“THAT the payment of Directors’ Remuneration (Directors’ Fees and Board Committees’ allowances) to the Non-Executive Directors for the period from the 58<sup>th</sup> AGM of the Company to the 59<sup>th</sup> AGM of the Company be and is hereby approved.”

**11. Agenda 5: Payment Of Directors’ Remuneration (Excluding Directors’ Fees And Board Committees’ Allowances) Of An Amount Up To RM2,400,000 To The Non-Executive Directors For The Period From The 58<sup>th</sup> AGM Of The Company To The 59<sup>th</sup> AGM Of The Company (Ordinary Resolution 7)**

- 11.1 The Chairman apprised the Members that the abovementioned Directors’ remuneration consists Meeting Attendance Allowances, Farewell Pot Scheme, the Directors’ Liability Insurance Coverage, Electronic Devices and Technology Peripherals for use during Meetings.

- 11.2 In determining the estimated total amount of remuneration (excluding Directors’ fees and Board Committees’ allowances) for the Non-Executive Directors, the Board considered various factors particularly the number of meetings (scheduled and unscheduled) for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings, which formed a major part thereof.

- 11.3 Accordingly, the Ordinary Resolution 7 was presented before the Members for approval:

“THAT the payment of Directors’ Remuneration (excluding Directors’ Fees and Board Committees’ allowances) of an amount up to RM2,400,000 to the Non-Executive Directors for the period from the 58<sup>th</sup> AGM of the Company to the 59<sup>th</sup> AGM of the Company be and is hereby approved.”

**12. Agenda 6: Re-Appointment Of Messrs PricewaterhouseCoopers PLT As Auditors (Ordinary Resolution 8)**

- 12.1 The Chairman highlighted that the retiring Auditors, Messrs PricewaterhouseCoopers PLT, have offered to continue to serve as Auditors of the Company. The Board recommended to the Members for approval of the re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company based on the Board Audit Committee’s review of the performance and independence in performing their obligation as Auditors for the financial year 2023.

- 12.2 Accordingly, the following Ordinary Resolution 8 was presented before the Members for approval:

“THAT Messrs PricewaterhouseCoopers PLT be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the 59<sup>th</sup> AGM of the Company, at a remuneration to be determined by the Directors.”

**13. Agenda 7: Authority For Directors To Issue And Allot Shares (Ordinary Resolution 9)**

- 13.1 The Chairman apprised the Meeting that the following Ordinary Resolution 8 in relation to the renewal of 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, was presented before the Members for approval:

“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 do hereby waive their statutory pre-emptive rights over all New Shares issued under the authority.”

- 13.2 The Chairman highlighted that 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% of the total number of issued shares of the Company 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.

**14. Agenda 8: Allotment And Issuance Of New Ordinary Shares In The Company (“RHB Bank Shares”) Pursuant To The DRP Shares (Ordinary Resolution 10)**

- 14.1 The Chairman apprised the Meeting that the following Ordinary Resolution 10 is pursuant to the DRP as approved at the 55<sup>th</sup> AGM of the Company held on 25 May 2021 in respect of dividends declared after the Meeting, and such authority shall continue to be in force until the conclusion of the Company’s next AGM.

Accordingly, the following Ordinary Resolution 10 was presented before the Members for approval:

“THAT pursuant to the DRP as approved at the 55<sup>th</sup> 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.”

## 15. Any Other Business

The Chairman sought confirmation from the Group Company Secretary whether the Company had received any notice for the transaction of other businesses which had been given in accordance with the Companies Act 2016 and the Company's Constitution. The Group Company Secretary confirmed that the Company had not received any notice for the transaction of any other business at the Meeting.

## 16. E-Polling Process

- 16.1 At 11.20 a.m., the Chairman reminded the Members to vote via the RPEV facilities as the voting session would be concluded with the closing of the polling after 10 minutes.
- 16.2 The Chairman also informed the Members that he had been appointed to act as proxy for a number of shareholders and shall vote in accordance with the instructions given.
- 16.3 At 11.30 a.m., the Chairman apprised the Meeting that the e-polling session has ended and the Independent Scrutineers would proceed to verify the poll results and validate their report for approximately 15 minutes.

## 17. Announcement Of Poll Results

At 11.45 a.m., the Chairman informed the Meeting that he had received the poll results from the Independent Scrutineers. Based on the poll results, the Chairman declared that all of the following resolutions were carried as follows:

- 17.1 Ordinary Resolution 1: Re-Election Of YBhg. Tan Sri Ahmad Badri Mohd Zahir As A Director Pursuant To Clause 94 Of The Company's Constitution

Ordinary Resolution 1	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,450,881,546	99.5780	14,622,784	0.4220

It was resolved THAT YBhg. Tan Sri Ahmad Badri Mohd Zahir, who retired pursuant to Clause 94 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company.

17.2 Ordinary Resolution 2: Re-Election Of YBhg. Datuk Iain John Lo As A Director Pursuant To Clause 94 Of The Company's Constitution

Ordinary Resolution 2	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,461,625,135	99.8604	4,839,779	0.1396

It was resolved THAT YBhg. Datuk Iain John Lo, who retired pursuant to Clause 94 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company.

17.3 Ordinary Resolution 3: Re-Election Of Mr Lim Cheng Teck As A Director Pursuant To Clause 94 Of The Company's Constitution

Ordinary Resolution 3	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,464,617,503	99.9467	1,848,611	0.0533

It was resolved THAT Mr Lim Cheng Teck, who retired pursuant to Clause 94 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company.

17.4 Ordinary Resolution 4: Re-Election Of Puan Hijah Arifakh Othman As A Director Pursuant To Clause 98 Of The Company's Constitution

Ordinary Resolution 4	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,466,096,960	99.9899	351,746	0.0101

It was resolved THAT Puan Hijah Arifakh Othman, who retired pursuant to Clause 98 of the Company's Constitution, being eligible, be and is hereby re-elected as a Director of the Company.

17.5 Ordinary Resolution 5: Re-Election Of Puan Nadzirah Abd Rashid As A Director Pursuant To Clause 98 Of The Company's Constitution

Ordinary Resolution 5	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,466,102,392	99.9900	346,314	0.0100

It was resolved THAT Puan Nadzirah Abd Rashid, who retired pursuant to Clause 98 of the Company's Constitution, being eligible be and is hereby re-elected as a Director of the Company.

17.6 Ordinary Resolution 6: Payment Of Directors' Fees And Board Committees' Allowances To The Non-Executive Directors For The Period From The 58<sup>th</sup> AGM To The 59<sup>th</sup> AGM Of The Company

Ordinary Resolution 6	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,465,465,642	99.9747	878,098	0.0253

It was resolved THAT the payment of Directors' Remuneration (Directors' Fees and Board Committees' allowances) to the Non-Executive Directors for the period from the 58<sup>th</sup> AGM of the Company to the 59<sup>th</sup> AGM of the Company be and is hereby approved.

17.7 Ordinary Resolution 7: Payment Of Directors' Remuneration (Excluding Directors' Fees And Board Committees' Allowances) Of An Amount Up To RM2,400,000 To The Non-Executive Directors For The Period From The 58<sup>th</sup> AGM Of The Company To The 59<sup>th</sup> AGM Of The Company

Ordinary Resolution 7	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,465,322,101	99.9704	1,025,139	0.0296

It was resolved THAT the payment of Directors' Remuneration (excluding Directors' Fees and Board Committees' allowances) of an amount up to RM2,400,000 to the Non-Executive Directors for the period from the 58<sup>th</sup> AGM of the Company to the 59<sup>th</sup> AGM of the Company be and is hereby approved.

17.8 Ordinary Resolution 8: Re-Appointment Of Messrs PricewaterhouseCoopers PLT As Auditors

Ordinary Resolution 8	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,462,063,174	99.8714	4,456,768	0.1286

It was resolved THAT Messrs PricewaterhouseCoopers PLT be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the 59<sup>th</sup> AGM of the Company, at a remuneration to be determined by the Directors.

17.9 Ordinary Resolution 9: Authority For Directors To Issue And Allot Shares

Ordinary Resolution 9	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	2,998,024,857	86.4853	468,488,084	13.5147

It was resolved 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.

17.10 Ordinary Resolution 10: Allotment And Issuance Of New Ordinary Shares In The Company ("RHB Bank Shares") Pursuant To The DRP Shares

Ordinary Resolution 10	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
	3,465,867,718	99.9812	650,699	0.0188

It was resolved THAT pursuant to the DRP as approved at the 55<sup>th</sup> 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.

**18. Close Of Meeting**

There being no other business to be transacted, the Meeting ended at 11.50 a.m. with a vote of thanks to the Chairman. The Chairman also thanked the Members for their support and attendance via the RPEV facilities.

**CONFIRMED AS CORRECT**

**TAN SRI AHMAD BADRI MOHD ZAHIR**



Attachment 1 of the Minutes of the 58<sup>th</sup> Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “the Company” or “the Bank”) held virtually at Meeting Room, Level 2, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur (“Broadcast Venue”) and via the RPEV facilities at <https://meeting.boardroomlimited.my> on Friday, 10 May 2024 at 9.30 a.m.

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**QUESTIONS BY MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)  
VIA LETTER DATED 3 MAY 2024**

**OPERATIONAL & FINANCIAL MATTERS**

As of the end of FY 2023 the Group’s loan loss coverage (“LLC”) ratio, excluding regulatory reserve, dropped to 71.7% from 112.8% in the previous year. The ratio, an indicator of a bank’s ability to absorb potential losses from non-performing loans, was also below the pre-pandemic level of circa 85%.

Generally, Malaysian banks record an LLC ratio of around 100% (excludes regulatory reserve) or above 150% for certain banks.

The concern of the low LLC is whether the Group has adequately provided for any potential loan loss in the future and the ability to absorb any short-term increase in the gross impaired loans (“GIL”) ratio.

**QUESTION 1(a)**

RHB’s allowance for credit losses on financial assets was lower at RM301.53 million compared to RM421.18 million (page 9, Financial Report 2023). Banks may shore up their LLCs by providing higher provisions for impaired loans, advances and financing (“LAF”).

Why did RHB not provide a higher allowance for LAF in FY2023 to ensure LLC is on par with the industry level? Please guide shareholders on RHB’s asset quality in FY2024.

***RHB Bank’s Response:***

- *LLC with regulatory reserves should be used to assess the adequacy of overall provisions for assets (includes loans) as the regulatory reserves are set aside in capital.*
- *LLC with regulatory reserves are above 100% indicating we have at least 1 times coverage for impaired accounts.*
- *Moving forward, the Group intends to sharpen its asset quality management and potentially increase LLC in foreseeable future, pursuant to our initiatives in managing asset quality.*
- *The Group will continue to exercise prudence in our lending policy where the focus has always been on secured or highly collateralised financing.*

### QUESTION 1(b)

The Edge Malaysia Weekly reported that RHB's management expects LLC to improve to around 100% after it restructures a specific corporate loan.

(Source: RHB Bank's low LLC ratio a point of discomfort for some analysts, The Edge Malaysia Weekly on December 4, 2023 - December 10, 2023)

#### **RHB Bank's Response:**

- *We are committed to assist our customers in their difficult times, and the successful restructuring & rescheduling plans with the customers will improve the relevant ratios, including LLC and GIL.*
- *Due to the uncertainties in such R&R plans, we are unable to comment on the completion time.*

### QUESTION 1(b)(i)

What is the size of the corporate loan, the client's business activities, the operating country and the industry involved?

#### **RHB Bank's Response:**

- *The Corporate borrowers mentioned in the report are operating in Malaysia, and are from Transportation and Construction segments.*
- *However, we are unable to comment on the size of corporate loans for these borrowers.*

### QUESTION 1(b)(ii)

What led to the impairment of this loan? What steps were taken to recover the loan before the Group impaired it?

#### **RHB Bank's Response:**

- *The affected borrowers' business was severely impacted by COVID 19 pandemic, which resulted in the tight cashflow and thus unable to meet loan repayments.*
- *The Bank has worked with these borrowers to restructure and reschedule their loan repayment during the pandemic to ease the burden of the loan repayment, prior to loans being impaired.*

### QUESTION 1(b)(iii)

How does RHB Bank restructure the account, and the progress of restructuring? Ultimately, what is the optimal LLC that the Bank is looking at?

#### **RHB Bank's Response:**

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

#### *Optimal LLC:*

- *Prior to the pandemic, the Group's LLC (excluding Regulatory Reserves) was at 85.7% in 2019.*
- *In 2020, LLC increased to 119.7% mainly due to additional provisions which was set aside as pre-emptive provisions to cater for the potential adverse impact of COVID-19 ("management overlay").*
- *In 2023, we have reversed all the COVID-related management overlay and LLC has reduced to 71.7%.*
- *Moving forward, the Group intends to sharpen its asset quality management and potentially increase LLC in foreseeable future, pursuant to our initiatives in managing asset quality.*

### QUESTION 1(c)

What will be the impact of this on RHB's credit cost? Please provide management guidance on net credit cost for FY2024.

#### **RHB Bank's Response:**

- *The Group will continue to exercise prudence in our lending policy where the focus has always been on secured or highly collateralised financing, thus conserving the provisions required.*
- *As we remain cautious of external factors such as the uncertainty in US monetary policy stance, inflationary pressures and escalation of geopolitical conflicts, our guidance for FY2024 credit cost is between 20 bps and 25 bps.*

### QUESTION 2(a)(i)

The Group International Business turned loss making in FY2023 with a loss before tax (LBT) of RM182.6 million compared to a profit before tax (PBT) of RM425.2 million in FY2022, mainly due to higher ECL and operating expenses. Almost all overseas markets posted deteriorating asset quality except Brunei.

- a) Notably, RHB Thailand saw its gross impaired loan (GIL) ratio spike to 24% from 4.3% in FY2022, resulting in an LBT of THB2.94 billion (FY2022: PBT of THB148.9 million) (page 96 of IR2023).
  - i) The size of impaired LAF increased by 320% to RM344.85 million from RM82.03 million a year ago (page 62, FR2023).

Why did the Thai market record a significant deterioration in asset quality? Was the deterioration in asset quality an industry wide phenomenon? Which economic sector did RHB Thailand see weakness in loan repayment?

#### **RHB Bank's Response:**

- *Deterioration of asset quality in Thailand has arisen from a combination of various factors such as downside risk of the SME segment stemming from the high interest rate environment and the sluggish economy.*
- *Most of the repayment assistance programmes in our portfolio had expired and notably the larger corporates thrived and weathered through the hard times. However, as for the SME segment, many of these borrowers continued to struggle and some to the extent defaulted and/or non-performing.*

### QUESTION 2(a)(ii)

Were the loans extended to these affected clients collateralised? What is the visibility of writing back the impairment or realising the value of collaterals?

#### **RHB Bank's Response:**

- *There is a mixture of collateralised and non-collateralised loans, recovery is expected to take several years due to the expected lengthy recovery process*

## QUESTION 2(b)

Which overseas markets will pose greater challenges to the Group in FY2024? Please briefly comment on the outlook for these markets by earnings growth, loan growth and asset quality.

### **RHB Bank's Response:**

- *Fitch Ratings expect the Thai banking sector's impaired loans ratio to remain stressed in 2024 and 2025 as businesses continue to reel from the post pandemic effects. Further, macroeconomic risks remain high in Cambodia, in view of the economy's high external dependence on China*

## QUESTION 3(a)

Boost Bank, a joint venture between RHB and Axiata Group, received approval from Bank Negara Malaysia and the Ministry of Finance to commence operations as a digital bank effective 15 January 2024.

Since then, Boost Bank has entered the alpha testing phase involving internal employees, family, friends, and a selected group of customers.

- a) Launched on 30 November 2023, GX Bank is the first digital bank launched to the Malaysian public.

For now, GX Bank seems well-received by the Malaysian public with its ease of account opening, cashback benefits, and highly hyped savings rate.

What key observations did Boost Bank spot on from GX Bank's six-month operation?

### **RHB Bank's Response:**

- *As the digital banks are still early in their launch phase, GX Bank, similar to Boost Bank has started out by getting the basics right i.e setting up a stable mobile app and offering simple financial products such as saving accounts.*
- *Both GX Bank and Boost Bank are also similar in that both are also part of wider ecosystems and as such, will be able to leverage on existing e wallet customers to build up their initial deposit base*

### QUESTION 3(b)

How many users are involved in the alpha testing phase? What are the preliminary outcomes of the testing? When will Boost Bank be ready for mass launch?

Is Boost Bank under pressure to launch its service as soon as possible to gain the first mover advantage?

#### **RHB Bank's Response:**

- *Boost Bank has completed its alpha testing phase involving approximately 500 testers from Boost Bank, RHB and Axiata employees*
- *As part of ensuring Boost Bank is ready for public launch, testers were asked to try out various app features particularly around account opening, in app functions and key security features Feedback gathered were used to improve and enhance customer journeys prior to public launch, which will be announced very soon*
- *Boost Bank's primary focus is to ensure that the app functions seamlessly and securely for customers Coupled with Boost Bank's ecosystem proposition and expertise in serving the MSME segments, this will form a natural competitive advantage in the digital banking landscape*

### SUSTAINABILITY MATTERS

#### QUESTION 1(a)

RHB's exposure to ESG Sensitive Sectors (increased to RM 17.7 billion (FY2022 RM16.3 billion), representing 15.9 % (FY2022 15.4% of the non-retail loan/financing portfolio (page 53 of SR 2023 page 39 of SR 2022.

- a) Among the customers from ESS, what is the percentage of customers with ESG risk ratings of "Low Risk", "Risk", "Medium Risk," and "High Risk" (page 49 of SR 2023. Does the Group cap the financing exposure to ESS? If yes, what is the optimal level?

#### **RHB Bank's Response:**

- *Almost all of our non-retail customers are classified Low or Medium ESG risk as we have put in place internal policy and tools put to manage our ESG Risk Customers that fall under High ESG Risk are classified Exceptional Credits nevertheless, our exposure of High ESG risk is not material (less than 1% of our non-retail exposures)*

## QUESTION 1(b)

Meanwhile the Group achieved a cumulative mobilisation of over RM23.8 billion in sustainable financial services, surpassing its earlier target of RM20 billion

What is the ratio between green and transition finance of RHB's sustainable financial loan book?

### **RHB Bank's Response:**

- *As at 31 December 2023 we achieved RM 23.8 billion in Sustainable Financial Services, of which 48% in Green, Social 26% and ESG-linked 26%.*
- *The 48% of the green category includes financing of low carbon projects and activities (transition finance) such as Renewable Energy, Energy Efficiency, Climate Change Adaptation and Clean Transportation, which is equivalent to approximately RM2.6 billion of RHB's green assets and 0.4% of the Group's total outstanding loan portfolio*

## QUESTION 2

As part of the Group Climate Action Programme ("GCAP"), RHB has enhanced the ESG Risk Assessment ("ERA") tool in FY2023 to include Sector Level Questionnaires ("SLQs") which will be progressively implemented across the Group commencing Q1 FY2024. There are 10 sector-specific questionnaires and one generic questionnaire (page 48 of SR 2023).

How different was the enhanced ESG risk assessment methodology compared to the eight industry-specific ERA tools adopted previously (page 49 of SR 2022)?

Please elaborate on the comprehensiveness and robustness of the enhanced ERA in assessing clients' sustainability and climate-related risks and managing the underwriting risks better.

### **RHB Bank's Response:**

- *As part of GCAP, we have enhanced our ESG Risk Assessment ("ERA") tool to include Sector Level Questionnaires ("SLQs") and that enable us to conduct both qualitative and quantitative assessments on our clients' climate and ESG risk from 10 high impact sectors.*
- *These assessments cover categories such as clients' biodiversity and water management policies, GHG emissions, energy consumption, water utilisation etc., which are also aligned with the BNM's Climate Change Principle and Taxonomy ("CCPT") and Due Diligence Questionnaire ("DDQ").*
- *Please refer to our Sustainability Report 2023 (Page 48-52) for the details of our SLQs.*

### QUESTION 3

In FY2023, RHB completed the financed emissions baseline exercise according to the Group's portfolio as of 31 December 2022. The exercise concluded that the total Absolute Financed Emissions generated by seven asset classes in FY2022 was 9,260 KTCO<sub>2</sub>e (page 110 of SR 2023).

However, we noted that the Bank did not provide general information such as the size of financing and investment, the emission intensity, and the data quality score for each asset class.

In addition, the financed emissions data for FY2023 was unavailable in SR2023. Please explain the reason for not including the related data from the most recently concluded financial year.

#### **RHB Bank's Response:**

- *RHB's size of financing and investment represented by FYE2022 financed emissions baseline is equivalent to over RM255 billion, which is about 60% of our total financing exposure of the 5 high impact sectors as at 31 December 2022.*
  - *RHB's FYE2022 Financed Emission intensity is 36.3 tCO<sub>2</sub>e/RM million. The Group has made a conscious decision for emissions intensity to be tracked and monitored internally for purpose of decision making in ensuring that we meet the Group's Financed Emissions reduction target and achieve our decarbonisation strategy*
- *The Group's Asset Classes average data quality scores is 4.31;*
  - *RHB's Financed Emission calculation methodology is based on the Partnership for Carbon Accounting Financials (PCAF) methodology, which is currently the widely accepted industry standard for calculation of financed emissions.*
  - *The PCAF Standard includes a data quality scale from 1 (highest certainty / best score) to 5 (lowest certainty / lowest score).*
  - *Climate related data for purpose of calculating Financed Emissions particularly under Frameworks such as PCAF involves several challenges due to complexity and variability of climate related data Some notable challenges are data availability and quality, sectorial differences and methodological issues i e finding the right emission factors for the different sectors, technology and tools PCAF utilises proxy data to close in these gaps to generate the estimated emissions, based on industry average emissions factors.*
  - *The Group is taking appropriate steps to address these challenges and to effectively calculate and managed our financed emissions, such as improving data collection and reporting, assessing advanced tools and technology as well as enhancing client and stakeholder engagement.*



## CORPORATE GOVERNANCE MATTERS

### QUESTION 1

Based on disclosure on pages 34-36 of Sustainability Report 2023, it was learned that non-independent non-executive director Tan Sri Ong Leong Huat Wong Joo Hwa did not attend any sustainability related matters training or knowledge sessions in FY2023. The disclosure in the Sustainability Report 2022 (pages 30-31) pointed to the same observation.

As the competency and expertise of Board members are critical to the success of the Group's sustainability and climate journey, why did Tan Sri Ong not attend any sustainability related training for two consecutive years?

#### **RHB Bank's Response:**

*Tan Sri Ong is a valued member of the Board of RHB Bank Berhad. Tan Sri is no stranger to sustainability matters and is well equipped on the subject matter having been a director on public listed companies for more than 20 years. He also holds the Capital Markets and Services Representative's licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 and was also formally a director on the Board of Bursa Malaysia Berhad from 2008 to 2015. In addition, Tan Sri was previously a member of the Securities Market Consultative Panel of Bursa Malaysia.*

*The Board always recognizes Tan Sri as an active contributor to the Board on many subjects, including and not limited to, Sustainability matters. In fact, Tan Sri has always been involved in many internal presentations and updates on sustainability agenda carried out by the in-house sustainability team as well as external consultants. These lengthy discussions and informative sessions usually took place during Board meetings and are part of the Board's meeting agenda. Tan Sri has never shied away from giving his constructive views and seeking further understanding during these discussions and deliberations on sustainability matters. For FY2023, Tan Sri had also completed the following training programmes which are very important towards the RHB's long term business sustainability:*

<b>Training programme</b>	<b>Topics covered</b>
<i>Invest Malaysia 2023: Series 2 Organised by Bursa Malaysia</i>	<ul style="list-style-type: none"> <li>○ <i>Rethinking the 5G Model – Building Tomorrow's Infrastructure, Today</i></li> <li>○ <i>Cloud as an Enabler of Digitalisation in Malaysia (for sustainable future)</i></li> <li>○ <i>Case Studies – How Companies Approach Cloud Transformation</i></li> </ul>
<i>Emerging Risks in the Financial Industry</i>	<ul style="list-style-type: none"> <li>○ <i>Differences between emerging &amp; emerged risks (incl. ESG risk)</i></li> <li>○ <i>Risk dimension &amp; scope</i></li> <li>○ <i>Key trends in managing the risks</i></li> </ul>

<p><i>Anti-Bribery &amp; Corruption</i></p>	<ul style="list-style-type: none"> <li>○ <i>Laws governing bribery &amp; corruption</i></li> <li>○ <i>Internal policies and procedures (Governance &amp; Internal Controls)</i></li> <li>○ <i>Whistleblowing channels</i></li> <li>○ <i>Gifts &amp; Hospitality</i></li> </ul>
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*Additionally, Tan Sri Ong attended two Board of Directors' briefings in 2023 with regards to RHB's Sustainable Financial Services commitment and Net Zero Strategy and Decarbonisation Pathways. The briefings also include, among others, industry developments such as the National Energy Transition Roadmap (NETR), the government's directives towards Net Zero and also the Net Zero agenda within the financial sector.*

*As a Director, Tan Sri has always ensured he is equipped with the required knowledge and skillset to positively contribute towards internal discussions and deliberations. In line with capacity building under the Group directors' training plan, Tan Sri has also registered for the upcoming Mandatory Accreditation Programme - Part II: 'Leading for Impact (LIP)' to be held on 13 & 14 May 2024, which focused on sustainability agenda. The Board, with assistance from the Board Nominating & Remuneration Committee, has always put emphasise on the directors' training needs, based on the on-going assessment and also outcome of the Board Effectiveness Evaluation exercise conducted on annual basis.*

Attachment 2 of the Minutes of the 58<sup>th</sup> Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “the Company” or “the Bank”) held virtually at Meeting Room, Level 2, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur (“Broadcast Venue”) and via the RPEV facilities at <https://meeting.boardroomlimited.my> on Friday, 10 May 2024 at 9.30 a.m.

**Questions Received From The Members Of The Company  
Prior To The 58<sup>th</sup> AGM**

No.	Name and Question of Member(s)	RHB Bank’s Response
<b>Institutional Shareholder – Permodalan Nasional Berhad</b>		
1.	RHB Bank has established a strategic objective of achieving an ROE of 11.5% by FY24. However, recent guidance from management suggests an ROE of at least 10% in FY24, indicating challenges in attaining the higher target.	
	i. What steps are being undertaken to improve RHB’s ROE from its current position of 9.5% in FY23?	<ul style="list-style-type: none"> <li>• The Group’s FY2023 financial performance was primarily impacted by higher funding costs and allowances for expected credit losses (ECL).               <ul style="list-style-type: none"> <li>- Higher funding cost was attributed to intense deposit competition spill over into 2023 and migration from CASA to FD for the higher rates. This was evident in the 14.3% YoY growth seen in FD.</li> <li>- Consequently, NIM for the year contracted to 1.82% from 2.24% reported a year ago.</li> <li>- We also had to set aside higher ECL for selected overseas operations although the impact was mitigated by COVID overlays writeback.</li> </ul> </li> <li>• For FY2024, the Group remains cautiously optimistic but expect performance to improve by:               <p style="margin-left: 20px;"><u>From profitability perspective</u></p> <ul style="list-style-type: none"> <li>- Net interest income - expected to improve as we foresee competition for deposits to continue to moderate, providing some respite from further NIM compression.</li> <li>- Non-interest income - better fee income expected and pocket of opportunities to grow treasury income.</li> <li>- Overheads - continue to tighten our cost discipline.</li> </ul> </li> </ul>

No.	Name and Question of Member(s)	RHB Bank's Response
		<p><u>From balance sheet perspective</u></p> <ul style="list-style-type: none"> <li>- Continue to grow assets in our target segments while maintaining credit discipline.</li> <li>- Remain prudent by continuing to manage asset quality closely.</li> <li>- Maintain strong fundamentals through robust capital and liquidity position.</li> <li>- Nevertheless, we remain cautious of external factors such as the uncertain US monetary policy stance, inflationary pressures, and escalation of geopolitical conflicts.</li> </ul>
	ii. Considering current market conditions, are there any developments that could elevate the ROE to the vicinity of 11.5%?	The Group's guidance for ROE is at least 10% in FY24, as we remain cautious of external factors such as the uncertainty in US monetary policy stance, inflationary pressures, and escalation of geopolitical conflicts.
2.	<p>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."</p> <p>It has been observed that the segment's profitability has been on a downward trend since FY21.</p>	
	i. How has this segment been performing to date?	Despite elevated market challenges, GTGM has performed better than previous year in terms of revenue and PBT growth to date; focusing on customer centricity and improved trading and investment performance navigating higher market and credit risks opportunely, while managing cost of funds effectively.
	ii. What is the performance outlook for the GTGM segment for the remainder of FY24?	GTGM is expected to continue to register strong financial performance for the remainder of 2024 from reinforced customer centricity with the emphasis on bespoke products and solutions for customers to navigate market challenges efficiently and effectively, and ensuring disciplined funding, trading and investment activities.

No.	Name and Question of Member(s)	RHB Bank's Response
3.	For FY23, Islamic Financing grew by 2.8% which was lower compared to the Group's loans growth of 4.8%. The lower growth in Islamic Financing was partly attributable to a 18.0% contraction in the corporate banking business.	
	i. Can you provide details on the contraction in the corporate banking business (including number of affected accounts, affected sectors, size of financing, etc)?	RHB Islamic (Bank) had a few Government of Malaysia ("GOM") Islamic assets/financing which were redeemed in 2023 via the Sukuk market due to the GOM's revised strategy to tap the Sukuk market for a more competitive pricing. This was coupled by scheduled payments and prepayments of a few local Islamic assets by our corporate clients.
	ii. Has the situation in this corporate banking business recovered?	Going forward, the Islamic Business Unit is already working with several corporate clients to selectively grow the Bank's footprint regionally and globally via Islamic financing and also, to have deeper penetration of targeted local industries where the Bank can provide holistic financing solutions to our corporate clients.
	<p>Additionally, we observed a slight decline in Islamic Share to Group Financing Assets from 44.6% in FY22 to 44.3% in FY23.</p> <p>iii. Under TWP24, one of the goals for the Group Shariah business is to increase Islamic share of group financing. What is the specific contribution target that RHB aspires to achieve?</p>	<p>RHB Group remains committed to increase Islamic share of group financing in Malaysia.</p> <p>Although we saw a slight dip in FY23 to 44.3%, this is on the back of longer-term improvement from 43.0% in FY21 and 40.5% in FY20.</p> <p>For FY24, we target to achieve &gt;45% of our domestic financing from our Islamic business, with a medium to long term target of more than 50% share.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
4.	<p>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.</p> <p>What are the reasons for the deterioration in asset quality in Thailand? Does the management expect GIL to remain elevated in FY24?</p> <p>What are the steps taken to improve the profitability of this segment going forward?</p> <p>Are there any specific segments that RHB Bank intends to prioritise in overseas markets and what is the rationale behind this strategic focus?</p>	<p>Deterioration of asset quality in Thailand has arisen from a combination of various factors such as downside risk of the SME segment stemming from the high interest rate environment and the sluggish economy. Most of the repayment assistance programmes in our portfolio had expired and notably the larger corporates thrived and weathered through the hard times. However, as for the SME segment, many of these borrowers continued to struggle and some to the extent defaulted and/or non-performing.</p> <p>We expect the GIL to remain elevated due to the lengthy recovery process. Fitch Ratings expect the Thai banking sector's impaired-loans ratio to remain stressed in 2024 and 2025 as businesses continue to reel from the post-pandemic effects.</p> <p>Immediate actions include -</p> <ol style="list-style-type: none"> <li>1) optimization of cost;</li> <li>2) encouraging higher utilization by high quality borrowers in the Corporate and NBF1 segments;</li> <li>3) improve governance and supervision through reorganize op model of Thailand control functions and increase resourcing for control functions; and</li> <li>4) additional headcount for recovery &amp; legal.</li> </ol> <p>Longer term actions include repositioning Thailand as a regional out post for corporate and SEA clients by providing cross-border services/referrals, collaborate and leverage on RHB Securities Thailand and build a cross-border treasury team.</p> <p>We are currently prioritizing to accelerate our Singapore loan and deposit bases, with the focus to grow in all business segments.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
4.	i. How much does RHB spend on cybersecurity relative to its total IT spend?	We spent approximately 10% of our IT spend on cyber security.
	ii. How much has RHB saved in costs by automating processes and moving customers to online banking channels?	By moving customers to online banking channels, as well as automating key branch processes, RHB has seen annual cost avoidance of approximately RM60-100 million each year.
	iii. What are RHB's plans for further developing its digital banking platform?	RHB's digital banking platform serves almost 90% of all transactions and is constantly enhanced to improve the everyday banking experience for our customers. The focus moving forward is to be able to anticipate customers' needs and to provide valuable recommendations and products relevant to their life stage as they occur.
<b>Retail Shareholders</b>		
<i>Financial Results / Outlook</i>		
1.	<p>Teh Kian Lang:</p> <p>Will 2024 be a better year than 2023 or be worse due to new challenges?</p>	<p>Malaysia economy is expected to improve 2024, although downside risks remain from prolonged high interest rates in advanced economies and recent escalation of geopolitical conflicts.</p> <p>Against this backdrop, the Group remains vigilant on the outlook for the rest of the year but committed to deliver growth in 2024 by:</p> <ul style="list-style-type: none"> <li>- Continuing to grow asset responsibly and maintaining credit discipline</li> <li>- Remaining prudent by continuing to manage asset quality and monitor cost closely</li> <li>- Maintaining strong fundamentals through robust capital and liquidity position</li> </ul>

No.	Name and Question of Member(s)	RHB Bank's Response
2.	<p>Loh Pek Yoo:</p> <p>What is the current status with the Tokyo marine insurance?</p>	<p>The Bank is current in the midst of a renewal process to determine the best partner that can provide market leading propositions for its customer.</p>
3.	<p>Ong Han Cheng:</p> <p>Can I know how big is the risk of digital bank compare with normal banking system?</p>	<p>We see the risk of the Digital Banks being low relative to the overall banking system.</p> <p>BNM's licensing framework caps each digital banks' assets at RM3 billion during the foundational phase (initial 3-5 years of operations).</p> <p>As comparison, the total assets of the 5 digital banks of RM15 billion will constitute less than 0.5% of total bank assets (~RM3,500 billion) in Malaysia.</p> <p>Nevertheless, we will ensure that Boost Bank is governed by a strong risk management framework which includes robust cybersecurity and digital fraud countermeasures to ensure the utmost safety and reliability for customers.</p>
4.	<p>Soon Chion Yaw:</p> <p>By referring to your latest 4th quarterly report (2023-12-31), I have notice that your LLC excluded regulatory reserve decline to 71.7%. Do you have any plans to improve your coming LLC result.</p>	<p>The lower LLC (excluding Reg. Reserves) was mainly due to increase in gross impaired loans (GIL). However, these recently-turned impaired accounts are highly collateralized, thus conserving the provisions required.</p> <p>Nevertheless, LLC with regulatory reserves should be used to assess the adequacy of overall provisions for assets (incl loans) as the regulatory reserves are set aside in capital.</p>



No.	Name and Question of Member(s)	RHB Bank's Response
		<p>LLC with regulatory reserves are above 100%, indicating we have at least 1x coverage for impaired accounts</p> <p>Moving forward, the Group intends to sharpen its asset quality management and potentially increase LLC in foreseeable future, pursuant to our initiatives in managing asset quality.</p> <p>The Group will continue to exercise prudence in our lending policy where the focus has always been on secured or highly collateralised financing.</p>
5.	<p>Kow Lih Shi:</p> <p>What would company do for Implement e-wallet. In banking, does e-wallet. Cost of operate. Compare to return. From charges is profit?</p> <p>What is the Company's action plan to gain more profit revenue.</p>	<p>RHB's long term strategy centered around our MBK to deliver customer experience and drive quality growth. It is our commitment to continuously enhance and improve our digital banking offerings such as DuitNow QR, Request to Pay and access to 32 foreign currencies through our award winning Multi Currency Account (MCA) product. We will continue to invest in the digital space to address ever changing market trends and customer preferences. And that is evident in the RM8.6m additional investment in Boost Bank as our commitment towards greater financial inclusion in Malaysia.</p> <p>For FY2024, the Group remains cautiously optimistic but expect performance to improve this year by:</p> <p><u>From profitability perspective:</u>  Net interest income - expected to improve as we foresee competition for deposits to continue to moderate, providing some respite from further NIM compression  Non-interest income - better fee income expected and pocket of opportunities to grow treasury income  Cost - continue to tighten our cost discipline</p>

No.	Name and Question of Member(s)	RHB Bank's Response
		<p><u>From balance sheet perspective:</u>            Continue to grow assets in our target segments while maintaining credit discipline            Remain prudent by continuing to manage asset quality closely            Maintain strong fundamentals through robust capital and liquidity position</p>
6.	<p>Wong Weng Wah:</p> <p>When the Boost Bank launch? Estimate when can break even?</p>	<p>Boost Bank is expecting to launch to public in the near future as we have completed our Alpha testing phase successfully.</p> <p>RHB has set aside a significant amount of investment to provide Boost Bank the best chance of success. We project at least 3-5 years before the digital bank breaks even and we view this as a long-term investment targeted towards sustainable growth.</p>
7.	<p>Teh Zhen Kiat:</p> <p>How RHB Bank to increase the profit in future and reduce the cost operating within the competitor in 5 digital banks was announced by BNM?</p>	<p>RHB continues to invest in our digital infrastructure and product offerings to ensure that we remain at the forefront in competing against the new market entrants.</p> <p>In addition, we also continue to strengthen our focus on service excellence, which we see as a key differentiator in winning and maintaining the trust of customers, ultimately allowing us to gain market share in the future.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
<i>Dividends – Payout Ratio</i>		
8.	<p>Chai Yia Yung:</p> <ol style="list-style-type: none"> <li>Does the bank able to maintain the current dividend yield of 7% in the long run?</li> <li>What is the bank's plan to reward shareholders?</li> </ol> <p>Cheong Mun Yei:</p> <ol style="list-style-type: none"> <li>Increase dividend</li> </ol> <p>Lee Chee Chiang:</p> <ol style="list-style-type: none"> <li>Will we be expected a better dividend next quarter. Thanks.</li> </ol> <p>Alan Pang Yinjin:</p> <ol style="list-style-type: none"> <li>Increase dividend</li> </ol> <p>Phong Kok Leong:</p> <ol style="list-style-type: none"> <li>Is RHB planned to revide the Dividend Payout Ratio to higher level?</li> </ol>	<ul style="list-style-type: none"> <li>The Group displayed improving dividend payout ratio post-pandemic, with consistent payout ratio of above 50% and attractive dividend yield of 6%-7%.</li> <li>Given our resilient financial performance and strong capital position, we were able to maintain dividend payout ratio of above 50%, with 61.1% dividend payout for FY2023.</li> <li>Moving forward, we will continue to reward shareholders aiming for at least 50% cash dividend payout while optimising our capital utilisation to gain better returns.</li> </ul>
9.	<p>Chew Hon Mun:</p> <p>Is it possible to release hefty CET-1 portfolio to reward shareholders? Our share price has been lagging behind compared to other banks. Any initiatives to boost the share price (e.g.: special dividend or higher dividend, bonus issue)?</p>	<p>As at 17 April 2024 (prior to share price adjustment for ex-date on FY23 second interim dividend), our share price has improved to RM5.72, representing 3-year CAGR of 9.0%. This is in-line with improvement in KLCI and KLFIN Indexes (3-year CAGR of 1.4% and 10.6% respectively).</p> <p>RHB remains committed to rewarding its shareholders with a healthy dividend payout consistently above 50%, with attractive dividend yield of 6% to 7% post-pandemic.</p>
10.	<p>Teh Zhen Kiat:</p> <p>Can the dividend be declared 4 times per year to increase the flexibility for the long-term investor like me to do reinvestment again into the bank?</p>	<p>The Group has been consistently rewarding our shareholders with two dividend payouts per year; Interim and Second Interim/Final dividends.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
	I think that is the better way may prevent speculation of FIFO Investor to break the price of RHB BANK share?	RHB remains committed to rewarding its shareholders with a healthy dividend payout consistently above 50%, with attractive dividend yield of 6% to 7% post-pandemic.
<i>Dividends – Reinvestment Plan</i>		
11.	Looi Eng Huat:  I wish to submit RHB Bank reinvestment plan online, please help how to submit.	Please refer to DRP Statement for more details. You can download a softcopy of the DRP Statement via the link below:  <a href="https://www.rhbgroup.com/-/media/Assets/Corporate-Website/Document/Supported-Doc/RHB_Bank_Berhad_DRP_Statement.pdf">https://www.rhbgroup.com/-/media/Assets/Corporate-Website/Document/Supported-Doc/RHB_Bank_Berhad_DRP_Statement.pdf</a>

No.	Name and Question of Member(s)	RHB Bank's Response
12.	<p>Tee Yee Lam:</p> <p>For the dividend reinvestment plan, could RHB absorb the RM10 revenue stamp?</p> <p>Currently, the stamp cannot be bought through post office and shareholder need to register in LHDN and submit the application to purchase only RM10 revenue stamp. Some more, need to wait for LHDN approval to buy RM10 stamp.</p>	<p>RHB shall not bear the stamp duty as it shall be payable by the shareholders, being the person whom first sign (execute) the agreement/notice of election.</p> <p>Effective 1 January 2024, the Inland Revenue Board of Malaysia ("IRBM") has terminated the usage of revenue stamps as a stamping method at all IRBM stamping duty counters and district stamping offices.</p>
<i>Strategy Operations</i>		
13.	<p>Ramraj Sivagnanam a/l Sivajanam:</p> <p>Since 2012 (14 Years ago) till now, RHB Bank's share price has been somewhat static ranging between RM5 to RM6 Per Unit. This is excluding the economic crisis in 2016 and the heaviest COVID period in 2020.</p> <p>May I kindly inquire what are the new projects, initiatives or mergers etc. that RHB Bank will embark on in the next 1-2 years, in order to increase the share price Per Unit, to beyond RM6?</p> <p>This is to ensure in the next 14 years from now i.e. 2038, RHB Bank share price won't continue to remain between the range RM5 to RM6 Per Unit.</p> <p>The answer to this question will influence my decision, if I want to continue investing my hard-earned money, buying RHB shares. Thank you and Selamat Hari Raya.</p>	<p><u>RHB's share price</u></p> <p>For your information, RHB Bank Berhad assumed the listing status from RHB Capital Berhad in 2016 with share price upon completion of the listing at RM4.84.</p> <p>Prior to the pandemic, our share price improved to about RM5.70 – RM5.80. However, during the pandemic, the share price dropped to as low as RM4.23 (October 2020).</p> <p>Our share price has since improved, consistent with the global economic recovery.</p> <p>As at 17 April 2024 (prior to share price adjustment for ex-date on FY23 second interim dividend), our share price has improved to RM5.72, representing 3-year CAGR of 9.0%. This is in-line with improvement in KLCI and KLFIN Indexes (3-year CAGR of 1.4% and 10.6% respectively).</p> <p>In addition, our dividend payout has also improved from 50% in FY2019 to 61% in FY2023.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
		<p><u>Outlook for 2024</u> We expect the Group's performance to improve in tandem with GDP growth forecast at 4.6% in 2024 (vs 3.7% in 2023).</p> <p>We will continue with the strategic execution of TWP24 Strategy and committed to deliver growth and preserve strong fundamentals by:</p> <ul style="list-style-type: none"> <li>• Continuing to grow assets in our target segments while maintaining credit discipline.</li> <li>• Remaining prudent by continuing to manage asset quality and monitor cost closely.</li> <li>• Maintaining robust capital and liquidity position.</li> </ul>
<i>Others</i>		
14.	<p>Yap Foong Chong:</p> <p>Non-online conventional AGM feels more connected. Is that possible?</p>	<p>Thank you for your feedbacks.</p> <p>We will consider the possibility of conducting a hybrid meeting in the future once we are assured with the technology needed to support a seamless, stable and secure large-scale meeting in hybrid mode.</p> <p>In the meantime, we will continue with virtual mode.</p>
15.	<p>Yeoh Ooi Phoe @ Yeoh Wooi Poay:</p> <p>I am a client of RHB Investment Bank. May I know why trading of odd lot shares using the RHB Share Trading website is NOT available. Thank you.</p>	<p>Enhancement in progress and targeted to be available in RHB Share Trading by end of May 2024.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
16.	<p>Chew Hon Mun:</p> <p>Regarding the Boost Bank:</p> <p>(i) Is there any additional funding required for its operating and capital expenditure in the short- to medium-term? If so, what is the estimated funding amount in the foreseeable term?</p> <p>(ii) What is the estimated and/or potential "loss" for the 1st year of operation? The estimated of break-even of the digital banking business?</p> <p>(iii) How does the Boost Bank compete with other competitors like GXBank and AEON Bank? How does the Boost Bank positioning its services compared to peers?</p> <p>(iv) When is the estimated date the Boost Bank will open to Public and what are the promotional incentives to attract higher sign-up rate and grab a higher portion of market share?</p>	<p>(i) RHB has set aside a budgeted amount for investment in Boost Bank to provide them with the best chance of success. This is part of a scheduled capital injection roadmap from Shareholders during the initial years for Boost Bank to scale.</p> <p>(ii) Boost Bank has budgeted a modest loss in the first year of operations, given the focus on setting up the core infrastructure required. Moving forward, we estimate at least 3-5 years before Boost Bank achieves breakeven.</p> <p>(iii) Boost Bank has a unique proposition as it is part of the Boost ecosystem, and is also backed by a consortium consisting of strong shareholders. As such, Boost Bank will be able to leverage on the existing combined expertise and customer ecosystems of Axiata and RHB to differentiate itself against its peers.</p> <p>(iv) Public launch is expected to happen in the very near future. Boost Bank will launch with market-leading product offerings as well as attractive promotion rates which will be announced in due course, along with public roll-out.</p>

No.	Name and Question of Member(s)	RHB Bank's Response
<i>Gift-Related Matters</i>		
17.	<p>Lee Chew Foong:</p> <p>We, as shareholders, have worked hard but our efforts have not been appreciated and valued in the past few years.</p> <p>Since our most respected Board of directors had decided not to give any door gift to shareholders who had given a lot of time, efforts, participation, contribution, involvement during the past 3 years AGM and in this 2024 AGM, we would propose that no directors fees and expenses should also be given to the Board of Directors for attending past and present AGM meetings.</p> <p>Yap Foong Chong:</p> <p>Monetary gift like e-Wallet will be nice for online participation. How about it?</p> <p>Sim Joo Lay:</p> <p>Gift to attend AGM.</p> <p>Yeoh Kim Toon:</p> <p>Hopeful RHB reconsider reward &amp; recognition to shareholders with corporate gift/memorabilia, such as USB thumb drive, printed '58th AGM 2024'. I can facilitate this gift making if given an opportunity since I am in this business, coincidentally.</p> <p>Ang Jili:</p> <p>How do participants collect their door gifts?</p>	<p>The Bank will not be providing any Door Gifts for this year and this approach is consistent with other conglomerates/FIs that are moving towards more substantive rewards to shareholders, namely in the form of better financial performance results and dividend yields.</p> <p>The Group has recently declared a second interim dividend of 25 sen per share, which will be made under the Dividend Reinvestment Plan, consisting of cash payout of 15 sen per share, and an electable portion of 10 sen per share. The total dividend payout for FY2023 is 40 sen per share.</p> <p>The Group however understands the Shareholders' sentiment and will reassess the need to provide Door Gifts as appropriate in due course.</p>



No.	Name and Question of Member(s)	RHB Bank's Response
	<p data-bbox="277 254 597 285">Ng It Sze @ Ng Joo Sai:</p> <p data-bbox="277 321 837 422">May I know this year AGM any door gift for shareholders, please send to me the hard copy of annual reports to me.</p>	

Attachment 3 of the Minutes of the 58<sup>th</sup> Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “the Company” or “the Bank”) held virtually at Meeting Room, Level 2, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur (“Broadcast Venue”) and via the RPEV facilities at <https://meeting.boardroomlimited.my> on Friday, 10 May 2024 at 9.30 a.m.

**Questions Received From The Shareholders/Members Of The Company  
During The 58<sup>th</sup> AGM**

No.	Name and Question of Members	RHB Bank’s Response
<b>Door Gift</b>		
1.	<p><u>Sia Cheng Loong</u></p> <p>Is Boost going to be the "digital bank" version of RHB? What's the preventive measure for apps stability and performance for Boost App since we can see so many complain in social media whenever there is promotion in Boost app.</p>	<p>Boost Bank is a partnership between RHB and Boost. It is a complementary addition to RHB's strategy so that all segments of customers in Malaysia are served with the right products and the right business model.</p> <p>Boost Bank is an independent bank focused on the underserved in Malaysia that will run with its own board, management, and technology teams. Like all banks in Malaysia it is governed by Bank Negara and will adhere to strict guidelines and requirements of service stability, security, and performance.</p>
2.	<p><u>Loke Yoon Hoe</u></p> <p>I have reached out to RHB customer service on this matter but they are unable to respond constructively. I am unhappy with one of the RHB's multi-currency debit card rules. When a merchant refunds a foreign currency purchase to my multi-currency debit card, the refund is automatically converted to MYR and credited into my RM savings account. It will be fairer to credit the refund into the same foreign currency pot. For this reason, I have chosen to use wise.com more often.</p>	<p>Currently all refunds is defaulted to MYR account as stated in our T&amp;C. However, we take note on this feedback and will look into feasibility of allowing refund in same foreign currency to improve customer experience moving forward. Nevertheless, we hope you will continue to use the account actively due to the very attractive conversion rates and interest returns.</p>

No.	<u>Name and Question of Members</u>	RHB Bank's Response
3.	<p><u>Teh Kian Lang</u></p> <p>Will 2024 be a better year or be worse due to new challenges?</p>	<p>We are cautiously optimistic about 2024. Year to date we have seen encouraging signs of growth and improvement. Nevertheless, we remain vigilant and continue to monitor the performance of every line of business closely.</p>
4.	<p><u>Kow Lih Shi</u></p> <p>The banking new implement. For verified account or user have improved. With all require OTP. Or immediately code.</p>	<p>Under the new guidelines, we have implemented cooling off periods and would require users to use Secure Plus to approve all transactions to better protect our customers. We also have implemented a 24/7 fraud monitoring for our customers.</p>
5.	<p><u>Foong Siew Chui</u></p> <p>With refer to the note to item 8, why there was surge on working capital? What type of working capital?</p>	<p>For Note 8 - the increase in Impaired Loans from "Working Capital" is due to impairment for a borrower from Transportation segment.</p>
	<p>How much is the salary of a company CEO? Did the CEO salary payout is lower than last year?</p>	<p>You may refer to Note 41 of Financial Reports - "Director's Remuneration" Amount shown for FY2022 in the note is based on GMD's official appointment with effect from April 2022</p>
	<p>Shareholders are kept in dark on company invested in the Boost Holding Bhd which continue bleeding of losses. What is the expectation of return on investment?</p>	<p>As shareholders, we have endorsed a multi-year business plan for Boost Bank with our partner shareholders Boost Holdings Bhd. (an Axiata Group subsidiary).</p> <p>The Boost Bank management team continues to execute against the endorsed business plan and shareholder capital injections thus far have been in-line with the business plan. Global and regional observations typically see Digital Banks targeting a path to profitability across a 4-6 year horizon.</p>

No.	<u>Name and Question of Members</u>	RHB Bank's Response
		Achieving a path to profitability is also a required milestone in order for Boost Bank to exit the Foundational Phase defined by Bank Negara Malaysia as part of the Licensing Framework for Digital Banks
5.	<p><u>Teh Kian Lang</u></p> <p>Any M&amp;A plans in the next 24 months?</p>	RHB Group does not currently have plans for any mergers or acquisition, as our focus continues to be on organic growth. However, if any opportunity arises, we will evaluate and assess, and any decisions we make will be guided towards creating value for our shareholders.
6.	<p><u>Tung Kai Xu</u></p> <p>Any planned approach to increase the ROE of RHB, as so far ROE of RHB of about 9% is one of the lowest compared to bank peers in Malaysia.</p>	The Group's guidance for ROE is at least 10% in FY24. The improvement this year is expected to come from improved profitability from our lending business, as well as more robust capital and liquidity position.
7.	<p><u>Chua Song Yun</u></p> <p>Can Management please explain in detail why the following operating metrics had deteriorated in FY2023, and do management expect to improve it in FY2024</p> <p>(a) CASA ratio further drop from 29.2% to 27.9%</p> <p>(b) Gross Impaired Loans ratio increases from 1.55% to 1.74%</p> <p>(c) Cost-To-Income ratio jump from 44.2% to 47.5%</p>	<p>In FY2023:</p> <p>(a) CASA ratio dropped due to migration of CASA to FD for the higher rates</p> <p>(b) GIL increased mainly due to SME and overseas operations. However, these recently-turned impaired accounts are highly collateralized</p> <p>(c) CIR increased due to lower Total Income and higher personnel and IT costs</p>

No.	<u>Name and Question of Members</u>	RHB Bank's Response
		<p>For FY2024, The Group remains cautiously optimistic but expect performance to improve:</p> <ul style="list-style-type: none"> <li>• Deposit competition to taper off allowing room for NII to recover</li> <li>• Still pockets of opportunities to grow NOI</li> <li>• Continue to tighten our cost discipline</li> <li>• Sharp focus on asset quality especially in monitoring delinquencies and intensifying our recovery initiatives</li> <li>• Strike the right balance – grow assets responsibly by balancing growth and managing risk</li> </ul>
8.	<p><u>Chong Lim</u></p> <p>Which countries that RHB has business? Can you give breakdown of revenue in % for these countries? Can you give sector breakdown of revenue in %? i.e. % in Oil &amp; Gas, SME, Household loan, Personal loan etc.</p>	<p>RHB has presence in Singapore, Cambodia, Thailand, Brunei and Laos with total revenue contribution of 12.9% to the Group and Singapore is our highest contributor (FY2023, Singapore contributed &gt;80% of total Group International Business revenue). We are well spread in various sectors with no concentration in any particular sector.</p>
9.	<p><u>Chua Song Yun</u></p> <p>Gross loans grew 4.8% y-o-y, this seems to be slower than industry average of 5.3%. Which segment of loans are growing slower than industry average, and please explain why. Do management expect loans to grows in similar or faster rate than the industry average in FY2024?</p>	<p>In FY2023, loans growth was primarily driven by mortgage, auto finance, SME and Singapore. However large repayments had impacted the growth for Corporate segment in FY2023. Nevertheless, we have always taken a balanced approach in growing our assets by maintaining credit discipline and balance sheet strength.</p> <p>For FY2024, we expect loans growth of ≥4.5%, in line with improving domestic economic growth (4.6% GDP growth forecast for 2024 vs 3.7% in 2023)</p>

No.	<u>Name and Question of Members</u>	RHB Bank's Response
	FY2023's ROE was only 9.5%, while TWP24 ROE target is 11.5%. To achieve this target, RHB would need to grow the FY2024 profit by at least 21% y-o-y, which is quite a challenging task. Can this target be achieved?	The Group's guidance for ROE is at least 10% in FY24. The improvement this year is expected to come from improved profitability from our lending business, as well as more robust capital and liquidity position.
10.	<p><u>Law Kung Hoo</u></p> <p>Group International Business is 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 (page 65). Which countries' operations are making losses or decline in profit, and why?</p>	Deterioration of asset quality in some of the frontier countries are from a combination of various factors such as downside risk of the SME segment stemming from the expiry of repayment assistance programmes and high interest rate environment. In addition, the tourism & hospitality sector is still experiencing a slow recovery post-COVID.
	<p>Domestic banking system's loans under RA (Repayment Assistance) ticked down to 2.4% of total loans from 2.8% in 2022, as most borrowers that exited RA programmes could resume and sustain regular loan repayments (page 35).</p> <p>(a) Considering the economy already exited the Covid, why is the banking system's RA loans declining at a slower pace than expected?</p> <p>(b) What is RHB's RA loans in percentage to total loan portfolio? Does it also decline at a slower pace than expected?</p>	<p>(a) RA is normal cost of doing business and during COVID time, it is an extraordinary event. Now it has normalised back to usual level.</p> <p>(b) RHB's RA loans continues to reduce and as of March 2024, our RA loans is less than 1% of total outstanding credit facilities.</p>
	Average Credit Risk Weight recorded a deterioration year-on-year by 0.4% to 34.3%, mainly due to increase in Internal Ratings Based (IRB) Corporate and Income Producing Real Estate ("IPRE") exposure which have higher-than-average Risk Weight (page 49). Please explain what this means, and what is the implication to our banks loan quality in layman terms?	Movement in average credit risk weight by 0.4% is not a deterioration as risk weight movement commensurate to our RAROC expectations.

No.	<u>Name and Question of Members</u>	RHB Bank's Response
11.	<p><u>Gow Fei Chieh</u></p> <p>Good morning BOD, could the dividend payout rate could remain like past 2 financial rate?</p>	<p>The Group aims to maintain dividend payout guidance to a minimum of 30%. RHB however, has a target to pay at least 50% dividend payout i.e. similar to the highest pre-pandemic payout ratio in 2019. Nevertheless, the dividend declared by the Board is subjected to the regulatory approvals.</p>
12.	<p><u>Tan Sek Keng</u></p> <p>What's the Bank's policies/actions plan in ensuring the independency of the independent director (both perceived and actual)? Shouldn't there be any tenure limit for independent directors?</p>	<p>The Board has adopted a policy where Independent Non-Executive Directors ("INEDs") may be re-appointed for a new term provided that such service tenure does not exceed a consecutive or cumulative term of 9 years.</p> <p>The computation of the service tenure will commence from the date of his/her appointment in the Group. At present, barring any unforeseen circumstances, the Board does not intend to retain any INED beyond the 9-year tenure limit.</p>
13.	<p><u>Lee Chee Yang</u></p> <p>Will RHB maintain the same dividend payout rate in the next few years?</p>	<p>The Board believes in balancing returns to shareholders with investment to support future growth. The Group aims to maintain dividend payout guidance to a minimum of 30%. RHB however, has a target to pay at least 50% dividend payout i.e. similar to the highest pre-pandemic payout ratio in 2019. Nevertheless, the dividend declared by the Board is subjected to the regulatory approvals.</p>

No.	<u>Name and Question of Members</u>	RHB Bank's Response
		<p>For FY2023, the Group has declared a second interim dividend of 25 sen per share, consisting of cash payout of 15 sen per share and an electable portion under the Dividend Reinvestment Plan of 10 sen per share. Together with its first interim dividend of 15 sen per share, total dividend for FY2022 amounts to 40 sen per share or 61.1% payout ratio.</p>
14.	<p><u>Annie Kee Sin Kim</u></p> <p>Why is RHB share price lagging behind other bank shares, what is wrong with RHB?</p>	<p>RHB's share price was RM5.49 on 9 May 2024. Prior to ex-date adjustment on 18 April 2024, RHB's share price has improved to RM5.72, representing 3-year CAGR of 9.0%. This is in-line with improvement in KLCI and KLFIN Indexes.</p> <p>We will continue with the strategic execution of TWP24 Strategy and committed to deliver growth and preserve our strong fundamentals.</p>
15.	<p><u>Loke Yoon Hoe</u></p> <p>Hi, barring any unforeseen circumstances, will the dividend payout ratio be maintained for this current financial year?</p>	<p>The Board believes in balancing returns to shareholders with investment to support future growth. The Group aims to maintain dividend payout guidance to a minimum of 30%. RHB however, has a target to pay at least 50% dividend payout i.e. similar to the highest pre-pandemic payout ratio in 2019. Nevertheless, the dividend declared by the Board is subjected to the regulatory approvals.</p>



No.	<u>Name and Question of Members</u>	RHB Bank's Response
16.	<p data-bbox="321 289 630 317"><u>Ng It Sze @ Ng Joo Sai</u></p> <p data-bbox="321 352 992 422">Directors fees &amp; allowances must reduce so that shareholders have better dividends</p>	<p data-bbox="1024 352 1539 884">In general, directors' fees and allowances are not correlated to the dividends payout. Their fees and allowances are regularly reviewed internally and with assistance from external consultants to ensure relevancy and in line with market's practice. The Board, with assistance from the board nominating and remuneration committee, will assess the performance and compensation of the directors. All directors' remuneration package will be tabled before the shareholders during AGM for approval.</p>
17.	<p data-bbox="321 921 456 949"><u>Ng Ah Lek</u></p> <p data-bbox="321 984 992 1087">Group CET1 ratio at 16.7% is much higher than other banking groups. Why does RHB Group need more capital than others?</p>	<p data-bbox="1024 984 1539 1335">We acknowledge that our capital ratios are higher vs other banking Group. However, taking cognizance of the challenges in the operating environment, we want to remain prudent and preserve our strong fundamentals in weathering tough times ahead. We also want to continue to be among the best capitalised banks in Malaysia.</p>
18.	<p data-bbox="321 1373 505 1400"><u>Tan Sek Keng</u></p> <p data-bbox="321 1436 992 1570">Now with the recovery of the post-covid pandemic, what's the Board coming strategies in striving for a better performance? Any plan for M&amp;A in the near future?</p>	<p data-bbox="1024 1436 1539 1919">RHB Group remains committed to deliver against our 3 strategic objectives outlined under our TWP24 strategy, which is to become everyone's primary bank, prioritise customer experience, and drive quality growth. We do not currently have plans for M&amp;A at this point in time, as our focus continues to be on organic growth. However, if any opportunity arises, we will evaluate and assess, and any decisions we make will be guided towards creating value for our shareholders</p>

No.	<u>Name and Question of Members</u>	RHB Bank's Response
19.	<p><u>Seng Chong Ho</u></p> <p>How interest cut affect RHB Bank business?</p>	<p>The monetary policy is expected to remain conducive and supportive of the economy. Bank Negara Malaysia (BNM) held its OPR at 3.00% in May's MPC meeting.</p> <p>The Group has a good combination mixed of asset classes that could minimize the impact of interest rate movement to the bottom line. While we expect any movement of interest rate would have the impact to the bottom line, it should be minimal as the Bank have a variety of fixed and float assets.</p>
20.	<p><u>Ng Ah Lek</u></p> <p>An analyst mentioned recently that "the bank's LLC of 72% is below pre-pandemic level of c.85%"What are the reasons that the management is comfortable with such a low Loan Loss Coverage ratio, which is the lowest among Malaysian listed banks? What are the chances that you may need to allocate more capital in the future to build up LLC?</p>	<p>The lower LLC (excluding Reg. Reserves) was mainly due to increase in gross impaired loans (GIL). However, these recently-turned impaired accounts are highly collateralised, thus conserving the provisions required</p> <p>Nevertheless, LLC with regulatory reserves should be used to assess the adequacy of overall provisions for assets (incl loans) as the regulatory reserves are set aside in capital</p> <p>Moving forward, the Group intends to sharpen its asset quality management and potentially increase LLC in foreseeable future, pursuant to our initiatives in managing asset quality</p>

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21.	<p><u>Winston Yeoh Chee Kiong</u></p> <p>Is a NIM of 1.77 percent achieved in Q423, the new normal for RHB?</p>	<p>NIM stood at 1.82% in FY2023 compared with 2.24% recorded in FY2022, due to higher funding cost attributed to:</p> <ul style="list-style-type: none"> <li>• intense deposit competition spillover into 2023, and</li> <li>• migration from CASA to FD for the higher rates</li> </ul> <p>For FY2024, net interest income is expected to improve as we foresee competition for deposits to continue to moderate, providing some respite from further NIM compression.</p> <p>We expect NIM to range between 1,80% and 1.90%% in FY2024.</p>
22.	<p><u>Chong Yuen Sun</u></p> <p>Any plan for bonus issue in 2024/25</p>	<p>The Group has been consistently rewarding our shareholders with two dividend payouts per year; Interim and Second Interim/Final dividends. We don't have an immediate plan for bonus issue at this juncture. RHB remains committed to rewarding its shareholders with a healthy dividend payout consistently above 50%, with attractive dividend yield of 6% to 7% post-pandemic</p>
23.	<p><u>Koh Chooi Peng</u></p> <p>Indonesia with its huge emerging middle class will be an attractive market for financial services. What is the reason for RHB not having a presence in the commercial banking segment in Indonesia despite having a presence in the Indo-China countries?</p>	<p>We already have a presence in Indonesia via PT RHB Sekuritas Indonesia.</p> <p>Currently, regional opportunities in Indonesia are looked at by our Singapore teams via our regional Corporate and Investment Banking (CIB) model.</p>

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		Any expansion of business in Indonesia will have to consider the best interest of our shareholders.