

RHB BANK BERHAD

Fully Virtual 55th Annual General Meeting

Pre-AGM Questions Raised By Shareholders

25 May 2021



Shareholder's Name	Question
LEE MUN HOE	Gift - Do understand that logistic difficulty to distribution freebies. Hope board will consider alternate way to distribute such as free odd lot shares to those who participate this agm
LEE CHOON TUCK	Gift - Sincerely hope for e-cash voucher for those who participate in this AGM. We never request for reduce on director remuneration. Hopefully board will reciprocate in similar manner
LEE CHOON MENG	Gift - Kindly provide e voucher to those who participate. I believe this is request was raised on last AGM but board not consider our view at all. We are minority shareholders and almost all of listed company resolution passed with 99%. Our thoughts are meaningless since resolution can easily pass through. We just need minor perk such as e-door gift for taking initiative to participate and increase participation rate.
LIM KHENG JOO	Gift - Do understand that logistic difficulty to distribution freebies. Hope board will consider alternate way to distribute such as free odd lot shares to those who participate this agm

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LEE CHOON MENG	Gift - Do take note that this is virtual AGM. Our patient is running out until the time where a physical meeting is convene and all the courtesies and hospitality will be extended due to all of us are at advance age. I on behalf of minority shareholder view of point would like to appeal for participation gift to those who attend this AGM. Believe that next year AGM still in virtual mode in view of poor vaccination rates. Do good for others, it will come back in unexpected ways
EU SONG MOY	Gift - For the period of MCO, do the investor be rewarded with door gift?
TAN WEI SIANG	Gift - Got any virtual door gift like tng reload pin for share holder?
YONG JOON FAH	Gift - Is the company giving doorgift to shareholders attending the virtual AGM

Shareholder’s Name	Question
LIM KHENG JOO	Financial Performance - Are Directors attending this virtual AGM being paid meeting allowances?

Shareholder's Name	Question
LIM KHENG JOO	Financial Performance - What is the cost-savings for conducting this virtual AGM compared to last year virtual AGM and also to previous year's physical AGM?

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PERMODALAN NASIONAL BERHAD	<p>Auditors' remuneration for FY20 on non-audit related matter amounted to RM1.6 mil representing an increase of 41.5% from previous year of RM1.1 mil.</p> <p>a) What was the reason for the increase in non-audit fees and what type of non-audit services contributed to this increase? Can you provide a breakdown?</p> <p>b) Does RHB Bank expect the increase in non-audit related services to remain elevated?</p>
PERMODALAN NASIONAL BERHAD	<p>The current PWC's partner Soo Hoo Khoon Yean has served RHB Bank for 5 years. Under Section 7(3)(vi) of BNM policy document on External Auditor "he must not served as an engagement partner for a continuous period of more than 5 years with the same financial institution..."</p> <p>a) Who will be replacing Soo Hoo Khoon Yean as the new audit partner for RHB?</p>

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PERMODALAN NASIONAL BERHAD	<p>[Please refer to Ordinary Resolution 10 and corresponding Explanatory Notes]</p> <p>“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 ...”</p> <p>a) Are there specific types of corporate exercises or business opportunities that the Company is focusing on? Can you provide some examples of such?</p> <p>b) What would “other circumstances” entail? Does it include insufficient capital in the face of stress scenarios?</p>

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PERMODALAN NASIONAL BERHAD	Following the resignation of Datuk Seri Govindan A/L Kunchambo on October 20, 2020, does the Board plan to appoint a new director to fill the vacancy?

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PERMODALAN NASIONAL BERHAD	<p>Referring to Page 49 of the Annual Report, it was mentioned that “investment in analytics enabled incremental benefits of RM119.5 million; RM104.5 million in revenue uplift and RM15 million in compliance cost avoidance”.</p> <p>a) What are RHB Bank’s target in terms of revenue uplift and cost savings from digitalisation efforts for the next 3 years?</p> <p>b) How much has RHB Bank spent on the digital front since the launch of FIT22 and how much more will be allocated until the end of this strategy?</p>

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PERMODALAN NASIONAL BERHAD	<p>For FY21, RHB Bank is targeting an ROE of 9%, which is an increase from FY20's ROE of 7.7%. As seen in other local banks with a DRP programme, there is a pattern of ROE dilution due to their equity base growing at a much faster rate than profitability.</p> <p>a) Has the 9% ROE target taken into account the dilutive impact from DRP?</p> <p>b) Does RHB Bank expect to grow its ROE beyond the FY21 target and what is the strategy to achieve this considering the implementation of DRP going forward?</p>

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PERMODALAN NASIONAL BERHAD	<p>CET1 of RHB Bank Group and RHB Bank are 16.2% and 14.6% respectively, which are among the highest within the industry. Considering this:</p> <ul style="list-style-type: none"> a) Will RHB Bank consider increasing its dividend payout compared to its 5-year averages of 36.0%? b) Does RHB Bank have any plans to raise its dividend payout policy especially with the implementation of DRP? c) Can you provide more clarity in respect of the effective cash payout from the DRP and how it would impact your CET1?

Shareholder's Name	Question
PERMODALAN NASIONAL BERHAD	<p>Referring to page 31 of the Annual Report, it was mentioned that “Group Capital Management Framework has been established to provide integrated oversight of our capital management activities. This oversight cut across the risk, finance, and treasury functions, bringing greater value to the business”.</p> <ul style="list-style-type: none"> a) Does RHB have an internal capital allocation framework? b) How does RHB determine the allocation of capital across its segments? c) How does RHB decide which segment should receive more/less capital? d) What are the return requirements from each segment?

Shareholder's Name	Question
LEE WAI FONG	Strategy - What is RHB's view of the in-coming Digital Bank? Will it be a threat to RHB's core earnings in the next 3-5 years time?
CHAN CHEE WAI	Strategy - What is RHB's plan in view of the oncoming Digital Bank as BNM only allocated 5 license?
PERMODALAN NASIONAL BERHAD	<p>Referring to page 23 of the Annual Report, “Group International Business” registered a pre-tax loss of RM4.5 million due to losses in Thailand, Laos and lower profitability in Cambodia”.</p> <p>a) Can you give us more colour on the performance of international businesses and what are the initiatives that are being undertaken to return to profitability?</p> <p>b) Considering the competitive landscape and the small size of RHB Bank’s businesses in overseas market, what is the definition of “success” in these markets? Are there any specific segments that RHB Bank intends to focus on and why?</p>

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PERMODALAN NASIONAL BERHAD	<p>Referring to page 203 to 208 of RHB Bank 2020 Financial Statement, RHB Bank had ceased its Hong Kong operation and disposed off RHB Securities Singapore.</p> <p>a) Will RHB Bank continue to divest its international businesses that are loss making and operating within challenging environments?</p> <p>b) How does RHB Bank determine when to exit a particular overseas market?</p> <p>c) Does RHB Bank have plans to expand into other overseas markets?</p>
PERMODALAN NASIONAL BERHAD	<p>Although the Asset Management business has increased in PBT and AUM for FY20, the profits are still small. What is RHB Bank's long-term strategy for the Asset Management business?</p>

Shareholder's Name	Question
LIM KHENG JOO	Financial Performance - What is the total expenditure allocated per year in pursuing the Environment, Social and Governance (ESG) activities under the Sustainability Program?
PERMODALAN NASIONAL BERHAD	<p>Referring to Page 90 of the Annual Report, RHB Sustainability Framework comprises three pillars "...to support the country's transition to a low carbon economy as well as mitigate related risk".</p> <p>a) How will these sustainability pillars help RHB's business growth during this uncertain period of COVID 19 pandemic and in the long run?</p> <p>b) What is RHB Bank's view on coal related activities? Does the current loan portfolio consist of financing of coal related activities? If so, what is the amount of this financing and is RHB Bank taking steps to minimise exposure / transition away from these activities? When does RHB Bank intend to phase out coal related financing from its portfolio?</p>

Shareholder's Name	Question
LEE CHOON MENG	Strategy - How much % derived from company'revenue was allocated for community development program and charitable giving to the organization? Meanwhile, Shareholders requested for door gift was neglected despite company funds were raised by us. This is indeed unfair.

Shareholder's Name	Question
LEE MUN HOE	Business Outlook - If board intend to layoff any staffs in view of advancement technology to replace human job?

The End

