

NEWS RELEASE
FOR IMMEDIATE RELEASE
29 NOVEMBER 2024

RHB RECORDS HIGHEST-EVER QUARTERLY NET PROFIT OF RM833 MILLION

Key Financial Highlights:

- ◆ Net profit surged 15.4% quarter-on-quarter (“Q-o-Q”) from RM722.3 million to RM833.2 million, attributed to higher total income, lower expected credit losses (“ECL”), and effective management of operating expenses.
- ◆ Total income increased 11.3% year-on-year (“Y-o-Y”) to RM6.4 billion, driven by growth in both net fund based and non-fund based income.
- ◆ Cost-to-income ratio (“CIR”) improved to 46.0%, down from 47.1% a year ago.
- ◆ Gross loans rose 2.3% YTD to RM227.5 billion, driven by growth in Group Community Banking and Commercial segments.
- ◆ Customer deposits remained steady at RM238.3 billion, with CASA making up 28.0% of total deposits.
- ◆ Islamic financing contributed a notable 44.5% of total domestic loans and financing.
- ◆ Operating profit before allowances grew 13.6% Y-o-Y to RM3.5 billion.
- ◆ Return on Equity (“ROE”) improved to 9.8%, up from 9.6% in 1H FY2024, reflecting a stronger Group’s financial performance.

Kuala Lumpur - RHB Bank Berhad (“RHB Bank” or the “Group”) delivered a commendable quarterly financial performance, achieving **net profit growth of 15.4% quarter-on-quarter (“Q-o-Q”) from RM722.3 million to RM833.2 million**, attributed to consistent high growth in total income, lower expected credit losses (“ECL”), and effective management of operating expenses.

For the first nine months ended 30 September 2024 (“9M FY2024”), the Group also recorded year-on-year net profit growth of 2.9% to RM2.3 billion. Total income rose 11.3% Y-o-Y to RM6.4 billion, driven by growth in both net fund based and non-fund based income. The Group cost-to-income ratio (“CIR”) improved to 46.0% from 47.1% Y-o-Y, and the Group’s Return on Equity (“ROE”) is at 9.8%. This reflects a stronger top line, underscoring the Group’s disciplined financial strategy and commitment to operational efficiency.

“The Group’s performance for the 9M FY2024 highlights our commitment to delivering sustainable value through our corporate strategy, *Together We Progress 2024* (‘TWP24’),” said Dato’ Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group. “Our consistent income growth, enhanced cost efficiency, and progress in sustainable finance reinforce our role as a strategic partner to businesses, particularly SMEs, as they navigate their transition toward

low-carbon practices. By driving double-digit income growth, we are reinforcing our commitment to delivering value for our shareholders.”

“As we move forward, we are harnessing advanced technology and customer-centric innovations to empower our clients - both individuals and businesses - at every stage of their financial journey. TWP24 not only strengthens our core operations but also positions RHB as a leader in driving meaningful progress across communities and industries, fostering a resilient and forward-thinking financial ecosystem,” added Dato’ Mohd Rashid.

Strategic Growth in Income and Efficiency

RHB’s total income growth was driven by a 5.2% increase Y-o-Y in net fund based income, and a 26.4% rise in non-fund based income, the latter supported by higher fee income, net gains on forex and derivatives, net trading and investment income, net insurance income, and strategic disposal of RHB Securities Vietnam Company Limited. These results underscore RHB’s focused approach to growth and cost-efficiency, as reflected in the improvement of the Group’s CIR to 46.0%.

Strong Balance Sheet and Capital Resilience

RHB’s balance sheet remained robust, with total assets increasing by 2.8% YTD to RM337.9 billion. Capital ratios stayed strong, with a Common Equity Tier-1 (“CET-1”) ratio at 16.6% and a total capital ratio of 19.3%, reflecting the Group’s ability to support growth while maintaining stability.

Sustainability and SME Support Drive Growth

In line with its 5-Year Sustainability Strategy & Roadmap, RHB has mobilised over RM34 billion in Sustainable Financial Services as of 9M FY2024, making significant progress toward its RM50 billion target by 2026. The Group also reaffirmed its commitment to SMEs through initiatives such as Malaysia’s first Low Carbon Transition Facility (“LCTF”) Portfolio Guarantee of RM100 million, a collaboration with Credit Guarantee Corporation Malaysia, focusing on supporting SMEs in adopting sustainable practices.

“We are set to launch our new corporate strategy in 2025, with a strong focus on delivering optimal customer experience, continuously enhancing operational efficiency and improving shareholder value. This strategy builds on the momentum achieved through TWP24, positioning us for sustained growth and success,” said Dato Mohd Rashid.

Outlook and Strategic Focus

Moving forward, RHB expects continued stability in Malaysia, with GDP growth projected at 5.0% in 2025 and the Overnight Policy Rate anticipated to remain at 3.0%. The Group will stay agile in navigating the evolving landscape, leveraging digital innovation and sustainable finance to drive sustained, quality growth.

Detailed Financial Performance

Net fund based and non-fund based income

- **Net fund based income** increased 5.2% Y-o-Y to RM4.3 billion, driven by higher funding income from a 3.7% Y-o-Y growth in gross loans and financing. Net interest margin (“NIM”) improved by 5 bps YTD to 1.87%. The Group continued to proactively manage its funding costs through active liability management initiatives. Taking this into account, the effective NIM was 1.98%.
- **Non-fund based income** increased 26.4% Y-o-Y to RM2.1 billion, primarily due to higher fee income, net gains on forex and derivatives, net trading and investment income, net insurance income and a one-off gain from the disposal of RHB Securities Vietnam Company Limited.

Operating Expenses and ECL

- Operating expenses amounted to RM2.9 billion for 9M FY2024, with CIR improving to 46.0% compared to 47.1% in the same period last year.
- ECL was RM461.6 million for 9M FY2024, showing a sequential decline of 29.9% from 2Q FY2024.

Third Quarter FY2024 (“3Q FY2024”) Earnings against Third Quarter FY2023 (“3Q FY2023”)

- The Group’s net profit grew 28.2% from RM649.9 million in 3Q FY2023 to RM833.2 million in 3Q FY2024, attributed to higher total income and lower ECL.

Balance Sheet and Capital Position

- The Group’s total assets increased 2.8% YTD to RM337.9 billion. Net assets per share were RM7.28, and shareholders’ equity at RM31.7 billion as of 30 September 2024.
- The Group’s capital position remained robust, with Common Equity Tier-1 (“CET-1”) and total capital ratio at 16.6% and 19.3%, respectively.
- The Group’s gross loans and financing grew 2.3% YTD to RM227.5 billion, supported by 4.7% and 15.2% growth in the Group Community Banking and Commercial segments, respectively. Domestic loans and financing grew by 3.4% YTD, which is on par with the industry.
- Gross impaired loans stood at RM4.0 billion, with a gross impaired loans ratio of 1.77%, up from 1.74% (RM3.9 billion) in December 2023. Loan loss coverage ratio for the Group, including regulatory reserves, improved to 106.4%, and 70.6% without regulatory reserves.
- Customer deposits was RM238.3 billion, with a CASA composition of 28.0%. The liquidity coverage ratio (“LCR”) remained sound at 124.0%.
- As of 30 September 2024, the Multi Currency Accounts (“MCA”) balances grew to RM4.2 billion, while the RHB MySiswa Debit Card-i initiative with the Ministry of Higher Education (“MOHE”) contributed RM2.0 billion and RM715.8 million in fixed deposits and CASA, respectively.

Business Segment Performance

Group Community Banking

- Pre-tax profit: RM1.4 billion.
- Gross loans and financing: RM147.4 billion (+4.7% YTD), driven by mortgage (+6.6%) and auto finance (+9.6%).
- Deposits: RM121.1 billion (+5.5% YTD), contributed by fixed deposits (+7.4%) and CASA (+2.1%).

Group Wholesale Banking

- Pre-tax profit: RM1.8 billion (+12.3% Y-o-Y), mainly due to higher net fund based income and non-fund based income.
- Gross loans and financing: RM48.9 billion, with growth in Commercial loans (+15.2% YTD).
- Deposits: RM81.0 billion, with growth in money market time deposits (+13.7% YTD).

Group International Business

- With the exception of Singapore, which recorded a pre-tax profit of SGD84.2 million, slower growth observed from the other ASEAN businesses.
- Gross loans and financing: RM31.2 billion. Excluding forex impact on translation, gross loans and financing grew to RM33.6 billion (+4.1% YTD).
- Deposits: RM36.3 billion. Excluding forex impact on translation, deposits grew to RM39.1 billion (+4.8% YTD).

Group Shariah Business

- Pre-tax profit: RM773.6 million.
- Gross financing: RM87.2 billion (+3.8% YTD).
- Islamic business contributed 44.5% of the Group's total domestic gross loans and financing.

Group Insurance

- Pre-tax profit: RM55.1 million.

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Key Financial Highlights

Financial Performance (RM million)	9 Months Ended 30 September 2024	9 Months Ended 30 September 2023
Net income	6,394	5,746
Operating profit before allowances	3,451	3,038
Profit before taxation	2,973	2,948
Profit attributable to equity holders of the Company	2,286	2,220
Basic earnings per share (sen)	52.87	52.03
Balance Sheet (RM million)	As at 30 September 2024	As at 31 December 2023
Gross loans, advances and financing	227,520	222,416
Gross impaired loans, advances and financing ratio (%)	1.77%	1.74%
Deposits from customers	238,317	245,083
Total assets	337,885	328,692
Equity attributable to equity holders of the Company	31,724	30,875
Net assets per share (RM)	7.28	7.20

This release contains forward-looking statements such as the outlook for the RHB Banking Group. Although RHB believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct subsequently. Actual performance may be materially different from that which had been anticipated or described herein, and RHB Banking Group's financial and business plans may be subject to change from time to time.

APPENDIX

Significant Events/Corporate Development

Proposed Disposal of RHB Securities (Thailand) Public Company Limited

On 25 November 2024, the Bank announced that its wholly-owned subsidiary, RHB Investment Bank Berhad ("RHB Investment Bank"), had on the even date, entered into a Conditional Share Sale Agreement ("SSA") with Phillip Brokerage Pte Ltd ("PBPL"), in respect of the proposed disposal of approximately 99.95% equity interest in RHB Securities (Thailand) Public Company Limited ("RHBST") ("Proposed Disposal") for a cash consideration of THB1,253.77 million (or equivalent to approximately RM161.81 million).

The Proposed Disposal is subject to the approval from the Securities and Exchange Commission of Thailand.

The Proposed Disposal will enable RHB Investment Bank to monetise its investment in RHBST to be utilised for working capital requirements of RHB Investment Bank Group. Accordingly, the Group has decided to exit from the stockbroking/securities business in Thailand.

Upon completion of the Proposed Disposal, RHBST will cease to be a subsidiary of RHB Investment Bank.