

NEWS RELEASE

FOR IMMEDIATE RELEASE

27 FEBRUARY 2025

RHB DELIVERS NET PROFIT OF RM3.1 BILLION IN FY2024

The Group declares second interim dividend of 28 sen per share, bringing total FY2024 dividend payout to 60.1%

Key Financial Highlights:

- ◆ Net profit surged 11.2% year-on-year (“Y-o-Y”) from RM2.8 billion to RM3.1 billion, driven by strong total income growth.
- ◆ Total income grew 10.7% Y-o-Y to RM8.6 billion, supported by both net fund based and non-fund based income.
- ◆ Cost-to-income ratio (“CIR”) improved to 46.7%, down from 47.5% in FY2023, reflecting enhanced operational efficiency.
- ◆ Gross loans expanded 6.9% Y-o-Y to RM238 billion, with growth in Group Community Banking, Group Wholesale Banking and Singapore segments.
- ◆ Gross impaired loans (“GIL”) ratio improved to 1.47% down from 1.74% in FY2023, attributed to resolution of distressed corporate borrowers.
- ◆ Customer deposits rose to RM250 billion from RM245 billion in FY2023, with CASA making up 27.6% of total deposits.
- ◆ Islamic financing contributed 44.6% of total domestic loans.
- ◆ Operating profit before allowances grew 12.3% Y-o-Y to RM4.6 billion.
- ◆ Return on Equity (“ROE”) improved to 10.04% in FY2024, up from 9.5% in FY2023, reflecting the Group’s stronger financial performance.
- ◆ Declared second interim dividend of 28 sen per share, bringing the total FY2024 dividend to 43 sen per share, representing a 60.1% payout ratio.

Kuala Lumpur - RHB Bank Berhad (“RHB Bank” or the “Group”) delivered a commendable financial performance for the financial year ended 31 December 2024 (“FY2024”), achieving a **net profit of RM3.1 billion, an 11.2% increase year-on-year (“Y-o-Y”) from RM2.8 billion in FY2023**. The Group’s total income rose 10.7% Y-o-Y to RM8.6 billion, driven by strong net fund based and non-fund based income growth. The Group’s cost-to-income ratio (“CIR”) improved to 46.7% from 47.5% Y-o-Y, while Return on Equity (“ROE”) improved to 10.04%. This reflects a stronger top line, underscoring the Group’s disciplined financial strategy and commitment to operational efficiency.

Dato’ Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group said, “Our strong financial performance for FY2024 underscores the effectiveness of our *Together We Progress 24 (TWP24)* corporate strategy, which has driven steady growth and enhanced operational efficiency. Achieving a net profit of RM3.1 billion and improved ROE of 10.04%

reflect our disciplined execution and commitment to delivering long-term value. We will also continue to uphold rigorous risk management practices to navigate market uncertainties. This momentum sets a strong foundation for our next phase of growth as we embark on our new strategic direction, *PROGRESS27*, to further strengthen our resilience and position RHB for future success.”

“As we look ahead, our new corporate strategy will focus on accelerating digital transformation and driving innovation to create seamless, customer-centric banking experiences. By leveraging cutting-edge technology and data-driven insights, we aim to enhance efficiency, deepen customer engagement and empower both individuals and businesses in their financial journeys. This strategic shift will ensure that RHB remains agile, competitive, and well-positioned to meet the evolving needs of our customers in a rapidly changing financial landscape,” added Dato’ Mohd Rashid.

Strategic Growth in Income and Operational Efficiency

RHB’s total income growth was driven by a 6.2% Y-o-Y increase in net fund based income, and a 21.3% rise in non-fund based income, the latter supported by higher fee income, net gain on forex and derivatives, net trading and investment income, net insurance income, and one-off gain from the strategic disposal of RHB Securities Vietnam Company Limited and RHB Securities (Thailand) Public Company Limited, amounting to RM33.6 million and RM51.6 million, respectively. The Group’s strong income growth, coupled with disciplined cost management, led to an improvement in the CIR from 47.5% to 46.7%, strengthening operational efficiency and financial resilience.

Strong Balance Sheet and Capital Resilience

Total assets grew by 6.5% Y-o-Y to RM350 billion, while capital ratios remained robust. The Common Equity Tier-1 (“CET-1”) ratio and Total Capital ratio stood at 16.4% and 19.0% respectively, reinforcing the Group’s strong capital position to support future growth.

Dividend Payout Reflects Strong Shareholder Returns

The Group declared a second interim dividend of 28 sen per share, bringing the total FY2024 dividend to 43 sen per share. This translates to a 60.1% payout ratio and a 6.6% dividend yield.

Sustainability and SME Support Driving Growth

RHB reinforced its leadership in sustainable finance, mobilising more than RM40 billion in FY2024 and remaining on track to exceed its RM50 billion target by 2026. With this strong performance, RHB has set a new, more ambitious goal of mobilising RM90 billion in sustainable financial services by 2027, in line with its *PROGRESS27* timeline.

To support SMEs in adopting sustainable practices, RHB launched initiatives including RM100 million Low Carbon Transition Facility (“LCTF”) Portfolio Guarantee, Sustainable Trade Finance programmes, and Green Product Bundling schemes.

“SMEs play a critical role in Malaysia’s transition to a low-carbon economy. At RHB, we are committed to empowering businesses with the right financing solutions to embrace sustainability while achieving

long-term success. Our expanded RM90 billion target reflects this commitment and reinforces our dedication to driving positive change,” added Dato’ Mohd Rashid.

Outlook and Strategic Focus

RHB remains focused on sustaining strong growth in FY2025 while navigating an evolving economic landscape. Malaysia’s economic outlook is expected to remain resilient, with GDP growth projected at 5% in 2025, driven by robust domestic demand, infrastructure investments, and the ongoing transition towards a low-carbon and digital economy. Against this backdrop, RHB is well-positioned to seize opportunities while maintaining prudent financial discipline.

The Overnight Policy Rate (“OPR”) is expected to remain at 3.0%, providing a supportive economic environment.

Detailed Financial Performance

Net fund based and non-fund based income

- **Net fund based income** increased 6.2% Y-o-Y to RM5.8 billion, driven by higher funding income from a 6.9% Y-o-Y growth in gross loans. Net interest margin (“NIM”) improved by 4 bps Y-o-Y to 1.86%. The Group continued to proactively manage its funding costs through active liability management initiatives. Taking this into account, the effective NIM was 1.96%.
- **Non-fund based income** increased 21.3% Y-o-Y to RM2.8 billion, primarily due to higher fee income, net gain on forex and derivatives, net trading and investment income, net insurance income and one-off gain from the disposal of RHB Securities Vietnam Company Limited and RHB Securities (Thailand) Public Company Limited of RM33.6 million and RM51.6 million respectively.

Operating Expenses and Expected Credit Losses (“ECL”)

- Operating expenses amounted to RM4.0 billion for FY2024, with CIR improving to 46.7% compared to 47.5% last year.
- 4Q FY2024 ECL showed a sequential quarter-on-quarter (“Q-o-Q”) decline of 27.4% to end the year at RM535.3 million.

Fourth Quarter FY2024 (“4Q FY2024”) Earnings against Fourth Quarter FY2023 (“4Q FY2023”)

- The Group’s net profit grew 42.4% from RM585.9 million in 4Q FY2023 to RM834.5 million in 4Q FY2024, attributed to higher total income and lower ECL.

Balance Sheet and Capital Position

- The Group’s total assets increased 6.5% Y-o-Y to RM350 billion. Net assets per share was RM7.45, and shareholders’ equity stood at RM32 billion as of 31 December 2024.
- The Group’s capital position remained robust, with CET-1 and total capital ratio at 16.4% and 19.0%, respectively.

- The Group's gross loans grew 6.9% Y-o-Y to RM238 billion, supported by 6.5%, 8.9% and 8.3% growth in the Group Community Banking, Group Wholesale Banking and Singapore segments, respectively. Domestic loans grew by 7.3% Y-o-Y, above industry growth of 5.5%.
- The Group's GIL improved significantly to RM3.5 billion, with a GIL ratio of 1.47%, from 1.74% (RM3.9 billion) in December 2023. Domestic GIL ratio improved to 1.19% (December 2023: 1.52%), lower than industry's GIL ratio of 1.44% (December 2023: 1.65%).
- Loan loss coverage ratio for the Group, including regulatory reserves, improved to 115.5%, and 78.6% without regulatory reserves.
- Customer deposits was RM250 billion, with a CASA composition of 27.6%. The liquidity coverage ratio ("LCR") remained sound at 137.8%.
- As of 31 December 2024, the Multi Currency Accounts ("MCA") balances grew to RM4.4 billion, while the RHB MySiswa Debit Card-i initiative with the Ministry of Higher Education ("MOHE") contributed RM3.8 billion and RM436 million in fixed deposits and CASA, respectively.

Business Segment Performance

Group Community Banking

- Pre-tax profit: RM1.8 billion.
- Gross loans: RM150 billion (+6.5% Y-o-Y), driven by mortgage (+8.8%) and auto finance (+12.2%).
- Deposits: RM125 billion (+8.8% Y-o-Y), contributed by fixed deposits (+10.6%) and CASA (+5.5%).

Group Wholesale Banking

- Pre-tax profit: RM2.4 billion (+14.9% Y-o-Y), mainly due to higher net fund based income and non-fund based income.
- Gross loans: RM54 billion (+8.9% Y-o-Y), with growth in Corporate (+6.4%) and Commercial (+21.8%).
- Deposits: RM88 billion.

Group International Business

- Singapore recorded a pre-tax profit of SGD99 million. Slower growth observed from the other ASEAN businesses.
- Gross loans: RM34 billion (+5.6% Y-o-Y), driven by Singapore (+8.3%).
- Deposits: RM37 billion, with growth in CASA (+2.9%).

Group Shariah Business

- Pre-tax profit: RM1.1 billion.
- Gross financing: RM91 billion (+8.1% Y-o-Y).
- Islamic business contributed 44.6% of the Group's total domestic gross loans.

Group Insurance

- Pre-tax profit: RM81.7 million.

###

Key Financial Highlights

Financial Performance (RM million)	12 Months Ended 31 December 2024	12 Months Ended 31 December 2023
Net income	8,605	7,770
Operating profit before allowances	4,583	4,081
Profit before taxation	4,020	3,753
Profit attributable to equity holders of the Company	3,120	2,806
Basic earnings per share (sen)	72.02	65.69
Balance Sheet (RM million)	As at 31 December 2024	As at 31 December 2023
Gross loans	237,758	222,416
Gross impaired loans ratio (%)	1.47%	1.74%
Customer Deposits	249,565	245,083
Total assets	349,915	328,692
Equity attributable to equity holders of the Company	32,492	30,875
Net assets per share (RM)	7.45	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.