

## **RHB ACHIEVES NET PROFIT OF RM730.2 MILLION IN Q1FY2024**

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- ◆ Total income grew 9.5% year-on-year (“YoY”) to RM2.1 billion.
- ◆ Cost-to-income ratio was at 45.9%.
- ◆ Expected credit losses (ECL) was RM215.0 million.
- ◆ Gross loans grew 1.1% year-to-date (“YTD”) to RM224.9 billion primarily driven by Group Community Banking and Singapore.
- ◆ Customer deposits was RM242.9 billion.
  - CASA grew 2.9% YTD to RM70.4 billion mainly from growth in Group Community Banking and Group Wholesale Banking.
  - CASA made up 29.0% of total deposits.
- ◆ Islamic financing contributed 44.3% of total domestic loans and financing.
- ◆ Return on Equity was at 9.2%.

**Kuala Lumpur** - RHB Bank Berhad (“RHB Bank” or the “Group”) today announced its financial results for the first quarter ended 31 March 2024 (“Q1FY2024”).

- The Group’s net profit for the three months ended 31 March 2024 was RM730.2 million, an improvement of 24.6% quarter-on-quarter; however, net profit declined by 4.1% YoY due to higher operating expenses and ECL.
- Total income increased by 9.5% YoY to RM2.1 billion.
  - Net fund based income increased marginally YoY to RM1.4 billion on the back of higher funding income, mainly due to growth in gross loans and financing of 5.4% YoY. Net interest margin (“NIM”) for the quarter was 1.83%. The Group continued to manage its funding costs through active liability management initiative. Taking this into account, the effective NIM was 1.94%.
  - Non-fund based income increased 31.6% YoY to RM702.7 million, primarily due to higher fee income, net gains on forex and derivatives, net trading and investment income, and net income from the insurance business.
- Operating expenses were RM959.2 million, mainly due to higher personnel, establishment and marketing costs. The cost-to-income ratio stood at 45.9%.

- ECL was RM215.0 million primarily due to higher ECL on loans and higher bad debts written off. The annualised credit charge ratio stood at 0.25%.

### **Balance Sheet & Capital Position Remained Robust**

- Total assets for the Group increased marginally YTD to RM329.3 billion. Net assets per share was RM7.40, with shareholders' equity at RM31.7 billion as of 31 March 2024.
- The Group's capital position remained strong. Its Common Equity Tier-1 ("CET-1") and total capital ratio stood at 16.5% and 19.2%, respectively.
- The Group's gross loans and financing grew 1.1% YTD to RM224.9 billion, mainly supported by Group Community Banking and Singapore's growth of 1.2% and 4.8%, respectively.
- Gross impaired loans was RM4.1 billion as of March 2024, with a gross impaired loans ratio of 1.83%, compared with RM3.9 billion and 1.74% respectively, as of December 2023. Loan loss coverage ratio for the Group, with Regulatory Reserves, improved slightly to 106.3%, while loan loss coverage without Regulatory Reserves was at 70.1% as of 31 March 2024.
- Customer deposits was RM242.9 billion. CASA grew 2.9% YTD to RM70.4 billion, mainly due to growth contributed by Group Community Banking and Group Wholesale Banking of 2.3% and 5.4%, respectively. CASA composition stood at 29.0%, while liquidity coverage ratio ("LCR") remained sound at 144.4% as of 31 March 2024.
- RHB's collaboration with the Ministry of Higher Education ("MOHE") on the RHB MySiswa Debit Card-i initiative resulted in CASA of RM515.3 million and fixed deposits of RM2.0 billion as of 31 March 2024.

### **Performance Review of Key Business Units**

#### ***Group Community Banking***

- Group Community Banking posted a pre-tax profit of RM371.1 million.
- Gross loans and financing grew 1.2% YTD to RM142.6 billion, primarily driven by growth in mortgage (+2.1%) and auto finance (+3.4%).
- Deposits increased 3.4% YTD to RM118.9 billion, contributed by growth in fixed deposits (+3.9%) and CASA (+2.3%).

#### ***Group Wholesale Banking***

- Group Wholesale Banking posted a pre-tax profit of RM578.6 million, a 38.3% YoY increase, mainly due to higher net fund based income and non-fund based income.

- Total assets and gross loans and financing stood at RM126.5 billion and RM48.7 billion, respectively, with growth in Commercial loans and securities portfolio.
- Deposits was at RM87.4 billion with current account growing 5.4% YTD.

#### ***Group International Business***

- Group International Business continued to face challenges due to slower-than-expected recovery in certain ASEAN countries. Despite the uncertainties, Singapore continued to record a pre-tax profit of SGD29.1 million.
- Gross loans and financing grew 4.2% YTD to RM33.7 billion attributed to 4.8% growth in Singapore. Deposits was at RM36.7 billion.

#### ***Group Shariah Business***

- Group Shariah Business posted a pre-tax profit of RM249.0 million.
- Gross financing grew marginally to RM84.5 billion.
- Islamic business contributed 44.3% of the Group's total domestic gross loans and financing.

#### ***Group Insurance***

- Group Insurance registered a pre-tax profit of RM22.7 million, a 4.6% YoY improvement attributed to a higher underwriting surplus.

#### **Conclusion**

Domestically, Malaysia's growth momentum is expected to improve in 2024, supported by improvements in external demand and manufacturing activities, as well as continued resilience in domestic demand arising from increased consumer and investment spending. Nevertheless, downside risks remain, mainly from prolonged high interest rates in advanced economies and the escalation of geopolitical conflicts.

“For the first quarter of FY2024, we delivered a commendable financial performance, recording improvements in total income and operating profit. Our balance sheet remains strong due to our robust capital and liquidity positions, and rigorous risk management. We will continue to improve business performance and asset quality, capture opportunities, and grow market share in the targeted segments.”

“We are on track to achieving our revised Sustainable Financial Services target of RM50 billion under our Sustainability Strategy and Roadmap. On a cumulative basis, we have attained over RM26.4 billion, equivalent to almost 53% of our refreshed Sustainable Financial Services target.

“Our ***Together We Progress 2024*** (‘TWP24’) corporate strategy is now in its final year of execution and we are intensifying our efforts towards ensuring that we achieved the KPIs that we have set under TWP24. Central to this is enhancing digitalisation and technology infrastructure, which are key drivers to innovation and better performance,” said Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group.

RHB recently launched Apple Pay, a safer, more secure way for its customers to transact payment using any RHB Visa Debit and Credit Cards/-i, including the popular RHB Multi-Currency Visa Debit Card/-i, which enables customers to transact up to 33 currencies seamlessly at any time, with no conversion currency fees.

RHB recently clinched several regional awards for its multiple exceptional initiatives that underscore its unwavering commitment to delivering customer-centric innovation, financial inclusion, and sustainability practices. The Group was recognised as being the Best Retail Bank-Malaysia, Excellence in Internet Banking, Excellence in SME Banking, Best Advance in Sustainability Practices, Best CSR Initiative – Contribution to Local Community, and Excellence in Loan Origination Process at the Retail Banker International Asia Trailblazer Awards 2024. Meanwhile, at the Alpha South East Asia Transaction Banking Awards 2023, its Reflex Trade Finance solution was acknowledge as being the Best Online Trade Facilitation Solution. In FY2023, the Group was ranked in the Top 2 in net promoter scores (NPS) among Malaysian banks.

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## Key Financial Highlights

Financial Performance (RM million)	3 Months Ended 31 March 2024	3 Months Ended 31 March 2023
Net income	2,088	1,908
Operating profit before allowances	1,129	1,051
Profit before taxation	910	1,005
Profit attributable to equity holders of the Company	730	762
Basic earnings per share (sen)	17.03	17.93
Balance Sheet (RM million)	As at 31 March 2024	As at 31 December 2023
Gross loans, advances and financing	224,919	222,416
Gross impaired loans, advances and financing ratio (%)	1.83%	1.74%
Deposits from customers	242,935	245,083
Total assets	329,257	328,692
Equity attributable to equity holders of the Company	31,711	30,875
Net assets per share (RM)	7.40	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

#### 1. Proposed Disposal of RHB Securities Vietnam Company Limited ("RHBSVN")

On 19 February 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 Sale and Purchase Agreement ("CSPA") with Public Bank Vietnam Limited, a wholly-owned subsidiary of Public Bank Berhad, in respect of the proposed disposal of its entire equity interest in RHBSVN ("Proposed Disposal") for a cash consideration of VND374 billion (or approximately RM73 million).

The Proposed Disposal is conditional and subject to the approval from the State Securities Commission of Vietnam ("SSC"). The application for the Proposed Disposal has been submitted to the SSC.

The Proposed Disposal will enable RHB Investment Bank to monetise its investment in RHBSVN to be utilised for working capital requirements of RHB Investment Bank Group. Accordingly, the Bank has



decided to exit from the stockbroking/securities business in Vietnam to focus on its existing securities business in other regions.

As at 31 March 2024, the net assets of RHBSVN amounted to RM30,462,000.

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

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