NEWS RELEASE

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RHB DELIVERS NET PROFIT OF RM750 MILLION IN Q1 FY2025

Key Financial Highlights:

- Net profit rose 2.7% year-on-year ("Y-o-Y") from RM730.2 million to RM750.0 million, driven by higher net fund-based income and lower Expected Credit Losses ("ECL").
- Net fund-based income grew 7.3% Y-o-Y to RM1.5 billion.
- Cost growth contained at 1.2% with cost-to-income ratio ("CIR") at 47.4% from 45.9% a year ago, reflecting the marginal contraction in income.
- Annualised gross loans up 2.4% to RM239 billion, driven by strong momentum in Group Community Banking and Commercial segments.
- Annualised domestic loans growth of 4.7% outpaced the industry's 4.3%.
- Gross impaired loans ("GIL") ratio well-contained at 1.50%.
- Customer deposits healthy at RM249 billion, with CASA composition improving to 28.0% from 27.6% in FY2024.
- Islamic financing sustained healthy contribution at 45.1% of total domestic loans.

Kuala Lumpur - RHB Bank Berhad ("RHB" or the "Group") registered a net profit of RM750.0 million in the first quarter of its financial year ending 31 December 2025 ("1Q FY2025"), an increase of 2.7% from the previous corresponding period. This was primarily attributed to higher net fund-based income and improved credit cost management, reflecting the Group's disciplined risk management and sound fundamentals.

Total income stood at RM2.0 billion, a marginal dip of 1.9% Y-o-Y mainly from contraction in non-fund based income due to lower net gain on forex and derivatives, and net trading and investment income. The Group maintained operational stability, supported by prudent cost management, continued strength in capital and liquidity positions. Cost growth was contained at 1.2% whilst CIR stood at 47.4% from 45.9% a year ago, reflecting the marginal contraction in income.

Dato' Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group remarked, "We sustained our earnings growth momentum in the first quarter, underpinned by solid fundamentals and early traction from our PROGRESS27 strategy. Our cost optimisation efforts are beginning to deliver results, enabling us to contain expenses while driving growth in key segments. At the same time, our continued focus on asset quality has led to a reduction in credit cost. We remained disciplined in execution, strengthening our core capabilities, driving operational excellence, and unlocking new growth opportunities."

Strong Capital and Liquidity Position

The Group's total assets rose to RM353 billion, supported by healthy balance sheet growth and prudent capital management. At Group level, the shareholders' equity stood at RM32 billion, with the Common Equity Tier-1 ("CET-1") ratio of 16.0% and Total Capital Ratio ("TCR") at 18.5%, reinforcing a strong capital position to support future growth ambitions, as well as to cushion macroeconomic uncertainties. Whereas the Bank's CET-1 and TCR stood at 14.7% and 17.4%, respectively.

Loan loss coverage ratio including regulatory reserves, improved to 115.7%, reflecting sound provisioning practices.

Domestic loan growth of 4.7% (annualised) outpaced the industry's 4.3%, while the Group's GIL ratio remained well-contained at 1.50%, and the domestic GIL ratio was below the industry average, demonstrating sound credit quality.

Looking ahead: Cautious Optimism, Disciplined Execution

The Group maintains a cautious stance amidst evolving macroeconomic conditions, shaped by interest rate movements and global trade dynamics. The recent reduction in Statutory Reserve Requirement (SRR) by Bank Negara Malaysia is expected to provide funding flexibility in the quarters ahead.

"Our new 3-year strategic roadmap, PROGRESS27, sets a clear course toward becoming the best in service, enhancing profitability, and reinforcing our purpose-driven commitment. With focused execution priorities, from simplifying customer journeys to advancing our sustainability ambitions, we are well-positioned to deliver near-term value while unlocking long-term value for all stakeholders," added Dato' Mohd Rashid.

Detailed Financial Performance

Net fund-based and non-fund based income

- **Net fund-based income** increased 7.3% Y-o-Y to RM1.5 billion, arising from a 6.3% Y-o-Y growth in gross loans. Net interest margin ("NIM") improved from 1.83% to 1.84% Y-o-Y. The Group continued to proactively manage its funding costs through active liability management initiatives. Taking this into account, the effective NIM for the quarter was 1.91%.
- **Non-fund based income** declined 20.2% Y-o-Y to RM0.6 billion, primarily due to lower net gain on forex and derivatives, and net trading and investment income.

Operating Expenses and Expected Credit Losses ("ECL")

- Operating expenses was contained at 1.2% Y-o-Y to RM970.7 million. CIR stood at 47.4% compared to 45.9% a year ago due to income contraction.
- ECL improved significantly by 50.8% Y-o-Y to RM105.8 million due to absence of one-off ECL for International Business.

Balance Sheet and Capital Position

- The Group's total assets expanded to RM353 billion from RM350 billion in December 2024. Net assets per share was RM7.39, and shareholders' equity stood at RM32 billion as of 31 March 2025.
- The Group's capital position remained robust, with CET-1 and TCR at 16.0% and 18.5%, respectively.
- On an annualised basis, the Group's gross loans grew 2.4% to RM239 billion, supported by 5.5% and 16.9% growth in the Group Community Banking and Commercial segments, respectively. Domestic loans grew by 4.7%, above industry growth of 4.3%.
- The Group's GIL increased marginally to RM3.6 billion, with a GIL ratio of 1.50%, from 1.47% (RM3.5 billion) in December 2024. Domestic GIL ratio at 1.22% (December 2024: 1.19%), lower than industry's GIL ratio of 1.42% (December 2024: 1.44%).
- Loan loss coverage ratio for the Group, including regulatory reserves, improved to 115.7%, and 76.9% without regulatory reserves.
- Customer deposits was RM249 billion, with CASA composition improving to 28.0% (December 2024: 27.6%). The liquidity coverage ratio ("LCR") remained sound at 134.6%.

- As of 31 March 2025, the Multi Currency Accounts ("MCA") balances grew to RM4.5 billion, while the RHB MySiswa Debit Card-i initiative with the Ministry of Higher Education ("MOHE") contributed RM3.2 billion and RM747 million in fixed deposits and CASA, respectively.

Business Segment Performance

Group Community Banking

- Pre-tax profit: RM425.7 million (+14.7% Y-o-Y), mainly due to higher net fund-based income and lower ECL.
- Gross loans (annualised): RM152 billion (+5.5%), driven by mortgage (+7.3%), auto finance (+9.0%) and Middle Market SME (+5.5%).
- Deposits (annualised): RM125 billion (+1.1%), contributed by CASA (+7.6%).

Group Wholesale Banking

- Pre-tax profit: RM548.2 million.
- Gross loans (annualised): RM54 billion (+2.3%), driven by Commercial (+16.9%).
- Deposits: RM86 billion.

Group International Business

- Pre-tax profit: RM87.3 million (+>100%) due to lower ECL.
- Gross loans: RM33 billion.
- Deposits (annualised): RM37 billion (+4.6%), driven by CASA (+22.2%).

Group Shariah Business

- Pre-tax profit: RM242.5 million.
- Gross financing (annualised): RM93 billion (+8.7%).
- Islamic business contribution of the Group's total domestic gross loans improved to 45.1% (December 2024: 44.6%).

Group Insurance

- Pre-tax profit: RM17.7 million.

Key Financial Highlights

Financial Performance (RM million)	3 Months Ended 31 March 2025	3 Months Ended 31 March 2024
Net income	2,048	2,088
Operating profit before allowances	1,077	1,129
Profit before taxation	963	910
Profit attributable to equity holders of the Company	750	730
Basic earnings per share (sen)	17.20	17.03
Balance Sheet (RM million)	**As at 31 March 2025**	**As at 31 December 2024**
Gross loans	239,158	237,758
Gross impaired loans ratio (%)	1.50%	1.47%
Customer Deposits	248,520	249,565
Total assets	352,537	349,915
Equity attributable to equity holders of the Company	32,216	32,492
Net assets per share (RM)	7.39	7.45

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.