

From the Desk of Our Group Managing Director/Group Chief Executive Officer



DATO' MOHD RASHID MOHAMAD

“TWP24 has been a transformative journey — strengthening our financial position, deepening customer engagement, and driving forward our digital and sustainability agenda.”

The business landscape is evolving at an unprecedented pace — shaped by economic shifts, rapid digitalisation, and the accelerating urgency of sustainability. In navigating this ever-evolving landscape, I find myself returning to a simple yet profound question: What does it truly mean to drive progress that is meaningful, inclusive and sustainable for everyone? This question defines RHB's fundamental purpose and strategic direction — moving beyond financial growth to focus on impact-driven, inclusive and sustainable progress.

2024 marked the successful completion of our Together We Progress 2024 (“TWP24”) strategy, a journey that has strengthened our financial position, deepened our customer engagement, and accelerated our digital and sustainability agenda.

This report provides a transparent and holistic view of how we are leveraging our strengths, overcoming challenges and seizing opportunities to build a more resilient, inclusive, and future-ready RHB.

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AS YOU REFLECT ON 2024, HOW DID GLOBAL AND DOMESTIC TRENDS INFLUENCE RHB'S BUSINESS, AND HOW DID THE GROUP ADDRESS THESE CHALLENGES TO CREATE STAKEHOLDER VALUE?

In 2024, Malaysia's banking landscape was shaped by a complex interplay of global economic headwinds and domestic forces. Globally, concerns over geopolitical tensions, inflationary pressures, and tighter monetary policies have led to fluctuations in financial markets. Domestically, rising demand for sustainable finance, regulatory advancements in climate risk management and accelerating digital adoption reshaped customer expectations and redefined how banks operate. While facing uncertainties on the external front, Malaysia's economic growth remains resilient, with a growth rate of 5.1% registered for 2024, underpinned by robust investment and consumer spending activities. Trade performance, on the other hand, had shown some improvement towards the end of the year, with real exports posting a growth of 8.5% in 2024. On a sectoral basis, growth is led by the services, manufacturing, and construction sectors.

Amid these evolving dynamics, several key trends defined the year and influenced both our performance and stakeholder outcomes. Persistent inflationary pressures drove operational costs higher, while intensified competition for deposits saw customers prioritising higher returns, prompting widespread promotional fixed deposit rates across the industry. These challenges required deliberate and well-calibrated responses.

We addressed these pressures with decisive action. Through our Cost Optimisation Programme, we enhanced efficiency by refining procurement practices, prioritising spending, and consolidating cost structures. To manage rising funding costs, we employed proactive liability management strategies, including via arbitrage funding. At the same time, deposit growth was carefully aligned with our loan growth expectations, ensuring a balanced and sustainable funding structure.

We also leveraged favourable market conditions to strengthen non-interest income. This included capturing capital gains as well as expanding our foreign exchange and structured product offerings. Participation in major initial public offerings ("IPOs") provided capital market fees and diversified our income streams, demonstrating our ability to identify and capitalise opportunities amidst shifting conditions.

Recognising the shift towards sustainable financing, particularly green financing, we introduced innovative sustainable financing solutions and intensified our efforts to offer customised financing options for SMEs transitioning to greener business practices.

BUILDING ON THESE TRENDS, HOW DID RHB PERFORM IN 2024, AND WHAT KEY ACHIEVEMENTS DEFINED THE YEAR?

In 2024, RHB demonstrated robust financial performance, reflecting its adaptability to global and domestic trends.

RHB achieved a net profit of RM3.1 billion, an increase of 11.2% from the previous year. This growth was driven by higher net fund based income and non-fund based income.

Total income rose by 10.7% to RM8.6 billion, attributed to strong performances across various banking segments.

Return on Equity ("ROE") improved to 10.04%, up from 9.5% in 2023, indicating enhanced profitability.

Cost-to-Income Ratio ("CIR") improved to 46.7% from 47.5% in the previous year, reflecting effective cost management.

RHB mobilised over RM41 billion in sustainable financial services in 2024.

These accomplishments underscore our commitment to sustainable growth, operational excellence and strategic foresight in a dynamic financial landscape.

WITH 2024 MARKING THE CONCLUSION OF THE TOGETHER WE PROGRESS 2024 ("TWP24") STRATEGY, WHAT WERE ITS MOST IMPACTFUL OUTCOMES, AND HOW DO THEY POSITION RHB FOR CONTINUED SUCCESS?

The TWP24 strategy has been instrumental in strengthening the Group's foundation for long-term resilience, digital transformation, and sustainable growth. TWP24 was designed to enhance customer centricity, drive operational efficiencies, and expand sustainable finance.

To Be Everyone's Primary Bank, we sharpened our focus on key segments to broaden our reach and deepen client engagement. Since 2021, affluent and mass affluent loans have grown by 18.8%, while deposits increased by 31.6%, reflecting the success of targeted strategies tailored to these segments. Similarly, domestic non-retail loans expanded by 9.5%, showcasing steady momentum in institutional banking and strengthening our position in the market.

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In Prioritising Customer Experience, we made significant strides in enhancing customer experience and digital capabilities. By automating 50% of key processes, modernising 75% of systems and leveraging AI-driven customer analytics, we provide customers seamless and intuitive banking experiences. These efforts helped us improve from fourth to second place in Net Promoter Score ("NPS") rankings – a clear indication of our commitment to service excellence and customer satisfaction.

The Group has also navigated a dynamic financial landscape while driving quality growth across key business segments. We have also onboarded over 787,500 student accounts through our MySISWA programme, contributing approximately RM238 million in deposits.

While challenges such as rising deposit costs and inflationary pressures tested our resilience, targeted initiatives like proactive liability management and operational streamlining ensured financial stability and operational efficiency. These measures allowed us to deliver consistent value despite external pressures.

As we conclude TWP24, the lessons and insights gained will guide the development of our next strategic framework. By refining our customer-centric approach, leveraging analytics for hyper-personalisation, and investing in high-impact areas, we are positioned to adapt to a dynamic environment and deliver sustainable growth.



WITH THE RAPID ADOPTION OF TECHNOLOGY, ARTIFICIAL INTELLIGENCE ("AI"), AND DIGITAL TOOLS RESHAPING CUSTOMER BEHAVIOUR, HOW DOES RHB PLAN TO MEET EVOLVING EXPECTATIONS, PARTICULARLY IN DELIVERING A SEAMLESS AND PERSONALISED EXPERIENCE?

The rapid evolution of technology and digital tools is redefining customer expectations, and we are determined to stay ahead by delivering innovative, secure, and personalised solutions. Digital transformation has been central to this journey, enabling us to empower customers with seamless experiences and building confidence in our platforms.

Between 2020 and 2024, we invested RM868.7 million in digital transformation and IT infrastructure, ensuring our infrastructure remains resilient and equipped for future-ready solutions. In 2024, digital transaction rates reached 92.2%, with a user base of over 2.9 million, reflecting growing trust in our mobile and internet banking services.

Key innovations like RHB Ask, our AI-powered chatbot, have improved service quality by enhancing response times and equipping teams with precision tools for customer support. Additionally, the Digital Business Online Application Form revolutionised the application process for Credit Cards and Personal Financing. Integrated with a Lead Management System ("LMS"), it enabled seamless online applications, leading to a 162% increase in full application submissions and a 71% rise in product approvals.

Looking ahead, we are advancing our digital transformation strategy to deliver seamless and personalised experiences at every touchpoint. Harnessing AI, self-service capabilities, and data-driven insights allows us to adapt to evolving customer behaviours and expectations while maintaining solutions that are intuitive, secure, and customer-centric.

AS THE URGENCY OF ADDRESSING CLIMATE CHANGE GROWS, HOW IS RHB INNOVATING ITS PRODUCTS AND SERVICES TO SUPPORT CLIENTS IN TRANSITIONING TO A LOW-CARBON ECONOMY WHILE DRIVING SUSTAINABLE GROWTH?

At RHB, we harness our role as a financial institution to drive meaningful and inclusive change, empowering businesses and communities to transition towards a greener and more equitable future. Through our Sustainability Strategy and Roadmap, RHB Banking Group mobilised over RM41 billion in sustainable financial services, achieving 82% of our 2026 target of RM50 billion. Of this amount, 51% has been directed towards green activities, including 9.2% directed toward renewable energy and energy efficiency projects. The Group has now set a more ambitious target of RM90 billion, aligning with RHB's PROGRESS27 strategy and reinforcing our commitment to achieving Net Zero by 2050.

Reducing financed emissions in five high-impact sectors – energy supply, palm oil, oil and gas, property and construction, and transportation – is a key focus. We are targeting a 20% reduction by 2030, with plans to achieve up to a 96% reduction by 2050. Recognising SMEs as essential contributors to this transition, we offer tailored financial solutions like the SME Green Financing Programme and the Low-Carbon Transition Facility ("LCTF") Portfolio Guarantee, which provides up to 80% guarantee coverage.

These efforts are reinforced by frequent engagement sessions with SMEs to share ESG knowledge and capacity building initiatives for targeted sectors, benefitting over 1,000 SMEs in 2024 and empowering them to adopt low-carbon practices.

RHB Insurance Bhd also introduced Malaysia's first ESG Incentive Scheme for SMEs. This pioneering initiative offers financial rewards of up to RM4,000, encouraging SMEs to adopt sustainable practices while enhancing risk management and business resilience. The scheme support SMEs in developing diversified insurance portfolios aligned with their sustainability goals.

In addition, RHB led the way with Malaysia's first sustainable use-of-proceeds ("UOP") cross-currency repurchase (repo) transaction, integrating sustainability into funding mechanisms to deliver competitively priced liquidity for green and low-carbon initiatives.

We would also like to share that while we are making strong progress in addressing climate challenges, our sustainability focus goes far beyond that. We are equally committed to advancing social inclusion and governance excellence, ensuring we deliver comprehensive value to all stakeholders.

GIVEN THE EVOLVING LANDSCAPE AND EMERGING CHALLENGES, HOW WILL RHB REMAIN COMPETITIVE AND RELEVANT IN THE YEARS AHEAD?

Technology is transforming customer behaviours and reshaping how we serve them. At the same time, businesses are under increasing pressure to decarbonise, while delivering seamless personalised customer experiences. To remain competitive and relevant, RHB is embracing change and adapting to these new realities.

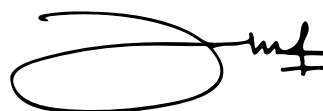
Building on the success of TWP24, we are now embarking on the next phase of growth under PROGRESS27 – with a renewed focus on becoming the best service bank, driving high profitability and upholding our commitment as a responsible, purposeful financial institution.

Digital transformation remains integral to this journey. By advancing capabilities in artificial intelligence, data analytics, and platform modernisation, we enhance customer engagement, decision-making, and operational efficiency. The successful deployment of Boost Bank allows us to reach new customer segments with greater agility, and we see significant potential to expand these foundations to deliver more responsive and tailored banking experiences.

Our growth priorities include expanding in affluent and mass affluent markets, advancing Islamic wealth management, and scaling green financing. We remain equally committed to supporting SMEs, particularly in high-potential locations in Malaysia, such as Penang, Johor, and Sarawak. These efforts reflect our commitment to driving economic progress while aligning with our strategic objectives.

At the heart of our competitiveness is our people. By investing in their development and equipping them with the necessary skills and tools to thrive in a dynamic environment, we are strengthening our organisational resilience and capacity for innovation.

Looking ahead, our strategic framework provides the flexibility to adapt to shifting landscape while remaining aligned with our long-term objectives. Through a combination of innovation, customer insight, and disciplined execution, we are confident in our ability to remain competitive, create value, and contribute positively to the communities we serve.



Dato' Mohd Rashid Mohamad

Group Managing Director/Group Chief Executive Officer
RHB Banking Group

A HEARTFELT THANK YOU FOR SUPPORTING OUR PROGRESS

The progress we achieved in 2024 is a reflection of the dedication, resilience, and shared purpose of our people. Every milestone is not just a number – it is a demonstration of our collective commitment to delivering sustainable value to our stakeholders.

To our **shareholders**, thank you for your continued trust and support. Your confidence, which has been instrumental to our success, drives our commitment to long-term value, sustainable returns, and strategic growth.

We extend our sincere appreciation to the **regulatory authorities and government** of the countries in which we operate. Your continued guidance, support and collaboration enable our responsible growth and innovation.

To our **customers and business partners**, thank you for your continued trust and partnership. We remain committed to delivering customer-centric solutions, driving digital innovation, and expanding access to inclusive financial services to meet your evolving needs and create lasting value.

To the **Group Senior Management and all RHBians**, the heartbeat of RHB – thank you for your passion, agility, and commitment. Your dedication continues to drive our progress and purpose forward, even in times of change.

As we look to the future, we remain steadfast in our purpose to deliver on what matters most. Together with our stakeholders, we will continue shaping a banking ecosystem that is innovative, resilient, and inclusive – making progress happen for everyone.