

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



**DATO' MOHD RASHID
MOHAMAD**
Group Managing Director /
Group Chief Executive Officer

Dear Stakeholders,

In 2025, the banking sector navigated a highly demanding and fiercely competitive landscape. Amidst persistent economic uncertainties, acute margin pressures, and rapidly evolving customer expectations, RHB Banking Group remained resolutely focused on what we can control: driving innovation, enhancing digital efficiency, and pursuing disciplined, responsible growth. I am exceptionally proud to report that this steadfast focus enabled us to deliver a highly resilient and commendable performance, consistently creating sustainable value for our customers, shareholders, and the broader communities we serve.

This operational resilience and sharper execution did not happen by chance; it is the direct result of our three-year strategic roadmap, PROGRESS27. By embedding clearer priorities, establishing measurable targets, and fostering stronger accountability across every level of the Group, this strategy has fundamentally transformed how we operate. Through eight focused transformation programmes, it has successfully translated ambitious objectives into solid financial outcomes and meaningful progress on the ground. With our fundamentals significantly strengthened and our business momentum accelerating, RHB is firmly positioned to navigate future uncertainties and decisively capture opportunities that drive long-term, sustainable growth.

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

Total Income:
RM8.8 billion

Net Profit:
RM3.4 billion

Return on Equity:
10.5%

Cost Savings:
RM158 million

CASA Ratio:
30.4%

NAVIGATING A COMPLEX OPERATING LANDSCAPE

The global operating environment in 2025 tested the agility of financial institutions worldwide. Global economic growth moderated to approximately 3.2%, weighed down by ongoing geopolitical developments and complex trade-related uncertainties. Concurrently, competitive intensity within the regional banking sector escalated significantly. Margin pressures persisted as funding dynamics tightened, and the pace of technological change accelerated customer expectations toward highly seamless, personalised, and digitally enabled banking experiences. Furthermore, pricing competition remained exceptionally acute, leading to continued compression in net interest margin ("NIM") across the region.

Fortunately, Malaysia's domestic economy remained a beacon of comparative resilience. Defying broader global headwinds, the nation's GDP growth exceeded forecasts to expand by a robust 5.2%, anchored by healthy domestic demand and a remarkably stable labour market.

A YEAR OF TANGIBLE FINANCIAL PROGRESS

Against this dynamic and often challenging backdrop, RHB delivered strong and tangible progress. By maintaining rigorous discipline in managing our margins, asset quality, and capital deployment, total income for the Group rose by 2.0% to RM8.8 billion. Net profit correspondingly increased by 7.8% to RM3.4 billion, reflecting the underlying strength of our core operations. We also saw our Return on Equity strengthen to 10.5%, up from 10.0% in 2024, while our gross impaired loans ("GIL") ratio improved by six basis points to a healthy 1.41% (2024: 1.47%). These metrics vividly underscore our sustained focus on investment discipline and asset quality management.

To sustain this trajectory and unlock greater synergies across the Group, we took decisive steps to structurally refine our operating model. This included the establishment of Group Corporate and Business Banking - the consolidation of several strategic business groups, deliberately designed to drive greater synergy, enhance relationship management and deepen our penetration within the Small and Medium Enterprises ("SME") segment. At the same time, Group Wholesale Banking was realigned, consolidating our non-interest income activities under a unified, highly efficient platform. We also integrated our branding, marketing, corporate communications, social impact, and customer experience functions under a single cohesive structure to ensure we deliver a consistent, differentiated, and powerful customer proposition that is in line with our Brand promise. In tandem with these internal realignments, we aggressively advanced our long-term growth platforms, most notably by renewing our strategic bancassurance and bancatakal partnerships with Tokio Marine Life Insurance Malaysia Bhd. and Takaful Malaysia for a further 20 years. This critical renewal fundamentally strengthens our advisory capabilities and secures our fee income potential for the decades ahead.

ELEVATING THE CUSTOMER EXPERIENCE

Central to our PROGRESS27 agenda is our ambition to be Best in Service. Recognising that customer loyalty is the bedrock of our long-term sustainability, we have anchored our approach to the 'RHB Way', built upon three service commitments: "Build Trust", "Deliver Convenience", and "Create Value". In February 2026, we further strengthened the RHB Way by embedding clear service behavioural standards to reinforce accountability, collaboration, and responsiveness, supported by real-time feedback mechanisms.

Our commitment to innovation and customer-centricity yielded several market-first enhancements in 2025. We launched a refreshed mobile banking application featuring a more intuitive interface and introduced Malaysia's very first mobile banking 'widget' to drastically enhance everyday accessibility. We also pioneered Malaysia's first flexible auto financing solution, explicitly designed to empower customers with greater repayment flexibility. Furthermore, by leveraging automation in our key end-of-day processes, we successfully extended our branch operating hours from 4.15 pm to 5.00 pm effective 1 January 2026, significantly improving service accessibility for our customers. I am exceptionally proud to note that our continued focus on service excellence and customer centricity delivered measurable results, with our Net Promoter Score ("NPS") improving by 4 points during the year, taking us to NPS#2 within the industry, reflecting stronger customer advocacy.

In 2025, RHB was honoured as the 'Best-E-Payments Bank' at the Malaysia Excellence in E-Payments Awards 2025 by PayNet, alongside receiving the National Scam Response Centre's prestigious 'Vanguard of Vigilance Award'. These distinguished industry accolades are a powerful testament to how effectively we serve and protect our customers. They reflect the strength of our internal controls and risk management, reinforcing our digital innovation roadmap as we continuously elevate the customer journey with seamless, secure and trusted experiences.

DRIVING STRUCTURAL EFFICIENCY AND GROWTH

Our pursuit of High Profitability is deliberately structured around maximising value through operational efficiency and disciplined growth, rather than simply succumbing to pricing pressures. By fundamentally redesigning our end-to-end customer journeys and lowering our cost to serve, we delivered an impressive RM158 million in cost savings in 2025. This marks a strong early milestone towards our expanded RM800 million cost optimisation ambition, upgraded from the initial RM500 million target, over the three-year lifecycle of PROGRESS27. A standout initiative in this space was the deployment of an AI-powered credit card collections voicebot, which remarkably reduced our collection costs by 40% while maintaining the necessary human oversight.

Beyond cost containment, our profitability was supported by responsible growth in higher-yielding segments. We successfully expanded our Current Account and Savings Account ("CASA") balances by 11.6%, substantially lifting our CASA ratio to 30.4% (up from 27.6% in 2024). Simultaneously, our domestic loan growth expanded by a robust 6.2%, comfortably outpacing the industry average of 4.8%.

PURPOSE-DRIVEN SUSTAINABILITY

Sustained high performance must be balanced with high integrity and a clear sense of purpose. Our ambition to be Responsible and Purposeful reflects our deep commitment to building a sustainable business model that generates positive, lasting societal impact. By the end of 2025, our Sustainable Financial Services ("SFS") portfolio reached approximately RM60 billion, achieving 67% of our RM90 billion target for 2027. Today, over 20% of our total assets are proudly classified under Bank Negara Malaysia's Climate Change and Principle-based Taxonomy ("CCPT") C4 category or better, illustrating the deep integration of green finance into our core portfolio.

We fortified our sustainable finance platform this year by launching our Sustainable and Transition Finance Framework and the MRL 360° ESG Finance Ecosystem, alongside executing Malaysia's first Sustainable Use of Proceeds Cross-Currency Repurchase transaction. Supporting SMEs on their crucial transition journey remains a key competitive differentiator for RHB. Through powerful partnerships with industry leaders like Tenaga Nasional Berhad and PETRONAS, we are actively combining advisory support, comprehensive energy audits, and tailored financing solutions to help SMEs accelerate their adoption of sustainable practices. Internally, we have mandated sustainability training for all staff, supported by annual ESG e-learning, ensuring our entire workforce is fully aligned with this critical agenda.

EMPOWERING OUR PEOPLE THROUGH TECHNOLOGY

Underpinning all our strategic pillars is the intelligent application of Technology, Data, and Artificial Intelligence to help us work smarter and serve better. Real-time insights are now actively enhancing our customer engagement, while advanced analytics have fundamentally improved our responsiveness across collections, portfolio management, and Anti-Money Laundering ("AML") and fraud detection ecosystems. To accelerate this momentum, we established a dedicated AI unit within our Technology division to identify and aggressively scale high-impact use cases. For instance, in our mortgage operations, AI is now utilised to review and extract data from massive volumes of customer documentation with near 99% accuracy—drastically reducing manual processing, fortifying audit controls, and accelerating turnaround times for our clients.

As we deploy these advanced tools, including the Group-wide rollout of Copilot to support everyday productivity, we are intensely focused on bringing our people along on this journey. Our RECHARGE reskilling programme exemplifies this commitment. In 2025, 60 colleagues whose roles were evolving due to automation were successfully retrained and redeployed into high-growth areas such as AML. This ensures our transitions are handled with dignity, purpose, and a steadfast commitment to workforce agility.

SUSTAINING MOMENTUM INTO 2026 AND BEYOND

As we look toward 2026, we anticipate that geopolitical developments and market volatility will remain prominent features of the external landscape. However, we maintain a highly optimistic outlook for Malaysia. Continued infrastructure investments and national initiatives are expected to sustain foreign direct investment, stimulate demand across priority sectors, and generate positive economic spill-overs that will support employment and corporate growth.

In this environment, RHB will fiercely defend and grow our net interest income by targeting higher-yielding segments, particularly middle-market SMEs and mid-cap corporates, while maintaining prudent asset quality. Concurrently, we will intensify our efforts to expand non-interest income through enhanced wealth management, bancassurance, Islamic wealth solutions, and cross-border business corridors between Malaysia and Singapore. In Retail Banking, we intend to build aggressively upon the growth achieved in 2025, specifically targeting the affluent and mass-affluent demographics.

To ensure absolute delivery, PROGRESS27 targets are firmly embedded into senior management KPIs, and service quality is a permanent, standing agenda item at all Group Management Committee meetings. Even as we aggressively execute our current roadmap, we have already begun laying the vital strategic groundwork for our next chapter beyond 2028, ensuring RHB preserves its forward momentum for years to come.

ACKNOWLEDGEMENTS

While 2025 presented an array of complexities, it was the collective tenacity and spirit of our people and partners that guaranteed a fruitful year.

I thank all RHBians across the Group for their dedication, professionalism, and commitment throughout the year. Your resilience and unshakeable belief in our shared vision have been the true foundation of our journey, bringing our strategy vividly to life. Alongside our employees, I thank my colleagues on the Group Management Committee for their strong leadership and commitment in steering the Group forward, particularly in their active engagement and willingness to stay closely connected to our frontline teams.

We are profoundly grateful for the enduring trust and loyalty of our customers, and for the privilege of supporting you through the various stages of your personal and business journeys. I also recognise the contributions of our esteemed business partners, whose collaboration and shared commitment continue to enable innovative and meaningful outcomes for the markets we serve.

I would like to record my thanks to the regulators and government authorities. Your proactive engagement, guidance, and support have been instrumental in helping the Group navigate a complex regulatory landscape with clarity and confidence.

We deeply appreciate the continued belief our shareholders have placed in RHB, and remain focused on delivering the sustainable returns and long-term value that reward the trust you have placed in us.

Lastly, I would like to extend my sincere gratitude to our Chairman and members of the Board for their steadfast guidance and unwavering support. Their wisdom and stewardship remain invaluable as we execute our strategy and deliver sustainable value for our stakeholders.

Together, with the continued guidance of our Board, we are building a significantly stronger, more impactful, and future-ready RHB.

Dato' Mohd Rashid Mohamad

Group Managing Director / Group Chief Executive Officer
RHB Banking Group