



RHB Bank records net profit of RM1,987.2 million for 9M 2021

- ◆ Total income of RM5,869.4 million for the first nine months of 2021
- ◆ Cost-to-income ratio improved to 44.5% from 48.8% a year ago
- ◆ Expected credit losses (ECL) increased 20.4% Y-o-Y to RM650.9 million
- ◆ Gross loans rose 4.6% YTD to RM194.6 billion primarily driven by mortgage, SME, Commercial and Singapore
- ◆ Customer deposits increased 5.2% YTD to RM214.0 billion mainly from growth in CASA, and fixed and money market time deposits. CASA made up 30.1% of total deposits
- ◆ Islamic financing grew 6.3% YTD, contributing 41.9% of total domestic loans and financing
- ◆ ROE at 9.7%

Kuala Lumpur, 30 November 2021

RHB Bank Berhad (“the Group”) announced today its financial results for the first nine months ended 30 September 2021.

- The Group recorded a net profit of RM1,987.2 million for the first nine months of 2021 compared with RM1,593.9 million recorded in the same period last year.
- Net fund based income improved to RM4,340.8 million driven by proactive funding cost management, which dropped 28.9% year-on-year supported by CASA growth of 4.8%. NIM for the quarter was 2.13% compared with 1.99% recorded in the corresponding period last year.
- Non-fund based income declined to RM1,737.9 million, primarily from lower net trading and investment income which offset higher insurance underwriting surplus and fee income growth from capital market, asset management and commercial banking.
- Operating expenses increased by 4.6% from a year ago to RM2,611.9 million. With positive JAWS, cost-to-income ratio improved to 44.5% compared with 48.8% a year ago.
- The Group remained prudent and continued to be proactive by setting aside additional provisions to cater for potential adverse impact to asset quality. Consequently, ECL increased by 20.4% from the previous corresponding period to RM650.9 million with the annualised credit charge ratio standing at 0.45% compared with 0.39% for the same period last year.

Third Quarter 2021 Earnings Against Third Quarter 2020

- The Group’s net profit for the third quarter 2021 increased from RM622.2 million to RM635.6 million mainly due to higher total income.



Balance Sheet & Capital Position Remained Robust

- Total assets for the Group increased by 3.6% from December 2020 to RM280.9 billion as at 30 September 2021. Net assets per share was RM6.85, with shareholders' equity at RM27.9 billion as at 30 September 2021.
- Our capital position remains strong; the Group's Common Equity Tier-1 (CET-1) and total capital ratio stood at 16.8% and 19.4% respectively.
- The Group's gross loans and financing grew by 4.6% year-to-date to RM194.6 billion, mainly supported by growth in mortgage, SME, Commercial and Singapore. Domestic loans and financing grew 2.6% year-to-date.
- Gross impaired loans improved to RM2.6 billion as at 30 September 2021, with a gross impaired loans ratio of 1.32% compared with RM3.1 billion and 1.63% respectively as of June 2021, and RM3.2 billion and 1.71% respectively as of December 2020. Loan loss coverage ratio for the Group, excluding regulatory reserves, strengthened to 147.9% as at end-September 2021, from 124.1% in June 2021.
- Customer deposits increased by 5.2% year-to-date to RM214.0 billion, predominantly attributed to fixed and money market time deposits growth of 6.6% and CASA of 2.8%. CASA composition stood at 30.1% as at 30 September 2021. Liquidity coverage ratio (LCR) remained healthy at 138.0%.



Performance Review of Key Business Units

- **Group Community Banking**
 - Group Community Banking posted a pre-tax profit of RM995.3 million for the nine months ended 30 September 2021 mainly due to higher net fund based and non-fund based income.
 - Gross loans and financing rose 3.3% year-to-date to RM120.8 billion, primarily driven by growth in mortgages (4.9%), and SME (7.5%).
 - Deposits increased by 7.9% year-to-date to RM99.0 billion, mainly contributed by growth in CASA (11.5%) and fixed deposits (5.5%).
- **Group Wholesale Banking**
 - Group Wholesale Banking posted a pre-tax profit of RM1,826.7 million from higher net fund based income and fee income growth from capital market and asset management.
 - Gross loans and financing grew marginally by 1.0% year-to-date to RM50.0 billion, driven by growth in Commercial Banking.
 - Deposits increased marginally by 0.9% year-to-date to RM90.7 billion primarily due to higher MMTD.
- **Group International Business** posted a pre-tax profit of RM74.9 million.
 - **RHB Bank Singapore** reported a pre-tax profit of SGD10.5 million attributed to higher net fund based and non-fund based income. Gross loans and advances grew by 23.0% year-to-date to SGD6.3 billion, while deposits increased by 12.2% to SGD6.5 billion.
 - **RHB Bank Cambodia** reported a pre-tax profit of USD13.7 million primarily due to ECL writeback during the year. Gross loans and advances grew by 10.6% year-to-date to USD647.2 million while deposits contracted by 3.7% to USD572.4 million.
- **RHB Insurance** registered a lower pre-tax profit of RM106.1 million attributed to a decline in net investment income.
- **RHB Islamic Bank** recorded a pre-tax profit of RM718.7 million due to the higher net fund based and non-fund based income, and lower modification loss during the year.
 - Gross financing recorded a growth of 6.3% year-to-date to RM71.5 billion.
 - Islamic business contributed 41.9% of the Group's total domestic gross loans and financing, an improvement from 40.5% in December 2020.



Conclusion

The domestic economy is expected to be on a recovery path premised on the high vaccination rate nationwide, continued relaxation of MCO measures, including the lifting of the inter-state travel ban and reopening of more economic activities, though downside risks from a worsening of the pandemic situation persist. In 2021, Malaysia's GDP growth is forecast at 4% and projected to improve to 5.5% for 2022 as recovery strengthens.

"The Group continued its positive momentum in the first nine months of 2021 underpinned by our strong fundamentals as we remain to be the best capitalised bank in the industry with robust liquidity levels. Nevertheless, the Group will continue to be vigilant, monitoring asset quality and making proactive credit provisions when necessary, while we strive to uphold our prudent stance.

The prolonged COVID-19 pandemic continues to impact the livelihood of customers. As such, we are committed to ensuring that our customers receive the financial assistance that they need during these difficult times, especially the vulnerable members of society as well as SMEs and microenterprises. The URUS programme, which was launched in collaboration with AKPK is open for application until 31 January 2022. Eligible customers within the B50 segment who wish to apply for URUS can do so through our corporate website, approach our Branches, or contact our Customer Contact Centre.

For those who are not eligible under the URUS Programme, our repayment assistance programme will continue to be made available. As at 10 November 2021, our Repayment Assistance programme has already benefitted approximately 320,000 RHB customers with total outstanding repayment assistance of RM52.0 billion, equivalent to 31% of our Group domestic loans and financing.

In the meantime, we will stay the course by improving business performance through digitalisation and AGILE way of working, continued focus on enhancing customer experience and enterprise risk management, while at the same time making meaningful progress towards realising our sustainability aspirations" said Dato' Khairussaleh Ramli, Group Managing Director and Group Chief Executive Officer of RHB Banking Group.



Key Financial Highlights

Financial Performance (RM'000)	9 Months Ended 30 September 2021	9 Months Ended 30 September 2020
Net income	5,869,374	5,117,695
Operating profit before allowances	3,257,428	2,620,357
Profit before taxation	2,606,196	2,070,196
Profit attributable to equity holders of the Company	1,987,223	1,593,899
Earnings per share (sen)	49.3	39.7

Balance Sheet (RM'000)	As at 30 September 2021	As at 31 December 2020
Gross loans, advances and financing	194,626,274	186,113,512
Gross impaired loans, advances and financing ratio (%)	1.32%	1.71%
Deposits from customers	214,037,817	203,470,783
Total assets	280,933,192	271,149,958
Equity attributable to equity holders of the Company	27,857,639	27,023,835
Net assets per share (RM)	6.85	6.74

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.

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About RHB Banking Group

The RHB Banking Group, with RHB Bank Berhad as the holding company, is the fourth largest fully integrated financial services group in Malaysia. The Group's core businesses are streamlined into five business pillars, namely Group Community Banking, Group Wholesale Banking, Group Shariah Business, Group International Business and Group Insurance. Group Community Banking comprises of Retail Banking businesses and SME Banking business. Group Wholesale Banking comprises of Group Investment Banking, Group Corporate Banking, Group Treasury & Global Markets, Group Asset Management, Commercial Banking, Transaction Banking, and Economics. All the five business pillars are offered through the Group's main subsidiaries – RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad, while its asset management and unit trust businesses are undertaken by RHB Asset Management Sdn. Bhd. and RHB Islamic International Asset Management Berhad. The Group's regional presence now spans nine countries including Malaysia, Singapore, Indonesia, Thailand, Brunei, Cambodia, Vietnam, Lao PDR and Myanmar.

For more information, please visit www.rhbgroup.com



APPENDIX

Significant Events/Corporate Development

1. Dividend Reinvestment Plan ('DRP') for interim dividend of the financial year ending 31 December 2021

On 27 August 2021, the Board of Directors of the Bank ('Board') had declared a single-tier interim dividend of 15.00 sen per share in respect of the financial year ending 31 December 2021 ('Interim Dividend'), consisting of cash portion of 5.00 sen per share and an electable portion of 10.00 sen per share. The Board had also determined that the existing DRP shall apply to the electable portion of the said Interim Dividend.

On 22 September 2021, the issue price of the new RHB Bank Shares to be issued pursuant to the DRP for the Interim Dividend has been fixed at RM4.69 per new RHB Bank Share and the book closure date pursuant to the Interim Dividend and the DRP has been fixed for 6 October 2021.

On 29 October 2021, RHB Investment Bank, on behalf of the Bank, announced that the Bank would be issuing 74,558,388 new RHB Bank shares, representing 85.96% of the total number of 86,735,242 new RHB Bank shares that would have been issued pursuant to the DRP for the Interim Dividend, had all the entitled shareholders elect to reinvest their respective electable portions of the Interim Dividend into new RHB Bank shares.

The new RHB Bank Shares arising from the DRP has been issued and allotted on 3 November 2021, and are listed on the Main Market of Bursa Securities on 5 November 2021.