

Together we drive
sustainable growth

INTEGRATED REPORT 2022



About This Report

We are pleased to present RHB Banking Group's ("RHB") Integrated Report 2022. The purpose of this report is to provide a balanced assessment of how we create value for our diverse stakeholders. The report covers our material matters, business strategies, risk and capital management, corporate governance, as well as financial and non-financial performance.

Through an integrated approach, we create shared value for current and future generations, thus aligning with our sustainability commitments. Our efforts reflect our contributions to the economy through responsible banking decisions, as well as how we drive positive change to the environment and society as a whole.

This report aims to share relevant information with our stakeholders so that they can make a fair and balanced assessment of our short to long-term performance. This includes addressing the information requirements of our long-term investors, shareholders and regulators, as well as disclosing how we create sustainable value for our customers, employees, suppliers and society at large.

SCOPE AND BOUNDARY

RHB's Integrated Report is produced and published annually. This report covers the period between 1 January 2022 to 31 December 2022, unless stated otherwise. The report encompasses all our operations and activities across the Association of Southeast Asian Nations ("ASEAN") region. It also covers our strategies, business activities and performance, as well as initiatives that impact all our key stakeholders.

MATERIALITY AND MATERIAL MATTERS

The information included in this report is shaped by our material matters. Therefore, the report focuses on the risks, opportunities and outcomes that have a material impact on our business and stakeholder value creation. Our material matters, as elaborated on page 54, also influence the development of our strategies.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements concerning our future priorities, strategies and growth opportunities. These are based on predictions and expectations that may change due to uncertainties beyond our control. Therefore, all forward-looking statements are inconclusive and have not been reviewed by auditors or other relevant independent parties. These forward-looking statements were derived from our business plans, economic forecasts and other relevant resources.

STATEMENT OF LEADERSHIP APPROVAL

RHB's senior management team acknowledges its responsibility to ensure the integrity of this Integrated Report. It is the management team's opinion that this report addresses irrelevant issues that are material to the Group's ability to create value.



Mohd Rashid Mohamad

Group Managing Director/Group Chief Executive Officer RHB Banking Group
(on behalf of RHB's Senior Management Team)

IR Integrated Report

Our primary Report used to communicate our value creation strategies, performance and outlook to our stakeholders

FR Financial Report

Details the Group's financial statements and analysis of the financial results, further supported by an independent auditor's report

SR Sustainability Report

Communicates the Group's approach to sustainability and efforts in creating sustainable value

NAVIGATION ICONS

OUR CAPITALS

- FC** Financial Capital
- MC** Manufactured Capital
- HC** Human Capital
- IC** Intellectual Capital
- SRC** Social and Relationship Capital
- NC** Natural Capital

OUR STAKEHOLDERS

- CU** Customers
- RA** Regulatory Authorities and Policymakers
- EM** Employees
- CO** Communities
- SI** Shareholders and Investors
- SB** Suppliers and Business Partners
- FI** Financial Industry Peers

STRATEGIC PILLARS

- PB** Be Everyone's Primary Bank
- CX** Prioritise Customer Experience
- QG** Drive Quality Growth

SUSTAINABILITY CORE PILLARS

- SF** Sustainable and Responsible Finance
- EP** Embedding Good Practices
- EC** Enriching and Empowering Communities

REPORTING FRAMEWORKS

We benchmark our Integrated Report against the following frameworks and disclosure requirements:

- Integrated Reporting (“IR”) Framework
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”)
- Malaysian Code on Corporate Governance (“MCCG”)
- Bursa Malaysia Corporate Governance Guide (4th Edition)
- Companies Act 2016
- Malaysian Financial Reporting Standards (“MFRS”)
- Bank Negara Malaysia’s (“BNM”) Policy Documents and Guidelines
- International Financial Reporting Standards and other regulatory requirements, as applicable

For sustainability-related disclosures, we align with the following key sustainability guidelines and standards:

- Global Reporting Initiative (“GRI”) Standards
- Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition)
- United Nations Sustainable Development Goals (“UNSDGs”)
- Recommendations by the Task Force on Climate-related Financial Disclosures (“TCFD”)
- Greenhouse Gas (“GHG”) Protocol: Corporate Accounting and Reporting Standard



Together we drive sustainable growth

At RHB Banking Group, we are committed to achieving sustainable growth, and seek to deliver exceptional customer experiences and service excellence through our ‘*Together We Progress 2024*’ (TWP24) corporate strategy.

As a responsible financial services provider, we are dedicated to driving progress and catalysing change through the use of finance as a force for good. We understand the importance of sustainability, not just as a business strategy but also as a reflection of our values and commitment for a better tomorrow.

Hence, our cover design embodies this vision by featuring green leaves that represent our commitment in building for the future, and water and ripples that symbolise the interconnectedness of our stakeholders and the power of small actions to create change.

We believe that by working together, we can create the greatest positive impacts, as we continue to utilise our resources and expertise to Make Progress Happen for Everyone.

KEY RISKS

- | | |
|---|---|
| CR Credit Risk | SNR Shariah Non-Compliance Risk |
| MR Market Risk | SR Sustainability Risk |
| LR Liquidity Risk | IBR Interest Rate Risk in the Banking Book/
Rate of Return Risk in the Banking Book |
| OR Operational Risk | RR Reputational Risk |
| TCR Technology and Cyber Risk | CR Corruption Risk |
| RNR Regulatory Non-Compliance Risk | |

MATERIAL MATTERS

- | | | |
|---|---|--|
| ERM ESG Risk Management | DI Digitalisation and Investment in Technology | EW Employee Health, Safety and Wellness |
| CC Climate Change | GG Good Business Governance | DO Diversity and Equal Opportunity |
| SF Sustainable Financial Services | DC Data Protection and Cybersecurity | ES Environmental Stewardship |
| CM Customer Relationship Management | TM Talent Management | SC Sustainable Supply Chain |
| FC Fair Treatment of Financial Consumers | EL Employee Learning and Development | CE Community Empowerment and Enrichment |
| FI Financial Inclusion | | |

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Form of Proxy

57th

Annual General Meeting of RHB Bank Berhad



Online Broadcast Venue, Meeting Room 3,
Level 16, Tower Three, RHB Centre, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia



Wednesday, 10 May 2023



10.00 a.m

INSIDE

→ THIS REPORT

We are pleased to present
the 2022 Integrated Report
for RHB Banking Group



Online Integrated Report 2022
www.rhbgroup.com

Brand Promise, Purpose Statement & Our Values

WE ARE GUIDED BY OUR PURPOSE

Making Progress Happen for Everyone

OUR BRAND PROMISE

Together We Progress

Our strong heritage is the foundation of our commitment to continue serving the community. For more than 100 years, we have been helping people and businesses grow and succeed, and will continue to do so.

Our experience gives us an in-depth understanding of the needs of our customers and business partners, inspiring us to constantly innovate and improve to serve them better. With your continual support, we have established ourselves with a strong footprint throughout Malaysia and are in seven other countries across the ASEAN region.

We hope our legacy and pursuit for excellence continues as we tirelessly cultivate and nurture the next generation through our actions and words, preparing them for a brighter future ahead.

We thank you for believing in us and welcome everyone to join us on our exciting journey of progress. In order to realise our greater potential, we must continue to work in unison as we move forward. Our brand promise *'Together We Progress'* honours our past, celebrates the present and welcomes the future.

We invite you to join us as we work towards a better and brighter future for all.

UNDERPINNED BY OUR VALUES

PROFESSIONAL
RESPECT
INTEGRITY
DYNAMIC
EXCELLENCE

WE LISTEN TO THE NEEDS OF OUR STAKEHOLDERS

Focused on growth and innovative solutions in approaching material risks

- CU** Customers
- SI** Shareholders and Investors
- RA** Regulatory Authorities and Policymakers
- SB** Suppliers and Business Partners
- EM** Employees
- FI** Financial Industry Peers
- CO** Communities

[Read more on page 34](#)

TO CREATE POSITIVE IMPACT THROUGH SUSTAINABILITY FOCUS AREAS

SF

SUSTAINABLE AND RESPONSIBLE FINANCE

EP

EMBEDDING GOOD PRACTICES

EC

ENRICHING AND EMPOWERING COMMUNITIES

CR **PATHWAY TO A CLIMATE-RESILIENT FUTURE**

[Read more on page 133](#)



RHB BANKING GROUP
@RHBGroup · Financial Service

Customer Contact Centre

Malaysia
Tel : +603 9206 8118
Email : customer.service@rhbgroup.com

WHO WE ARE

RHB BANKING GROUP, a multinational regional financial services provider, strives to provide complete financial solutions to its customers. With a comprehensive range of services to suit its customers' evolving requirements, RHB offers a fast and seamless customer experience, supported by its dedicated team of employees.


As a leading financial institution in Malaysia, RHB has firmly established its presence and brand through its wide range of products and unique value propositions. With the support of over 14,000 employees Group-wide, RHB's reach also extends to seven other countries in the ASEAN region.



Market Capitalisation
RM **24,592**
million



Total Employees
>14,000
employees



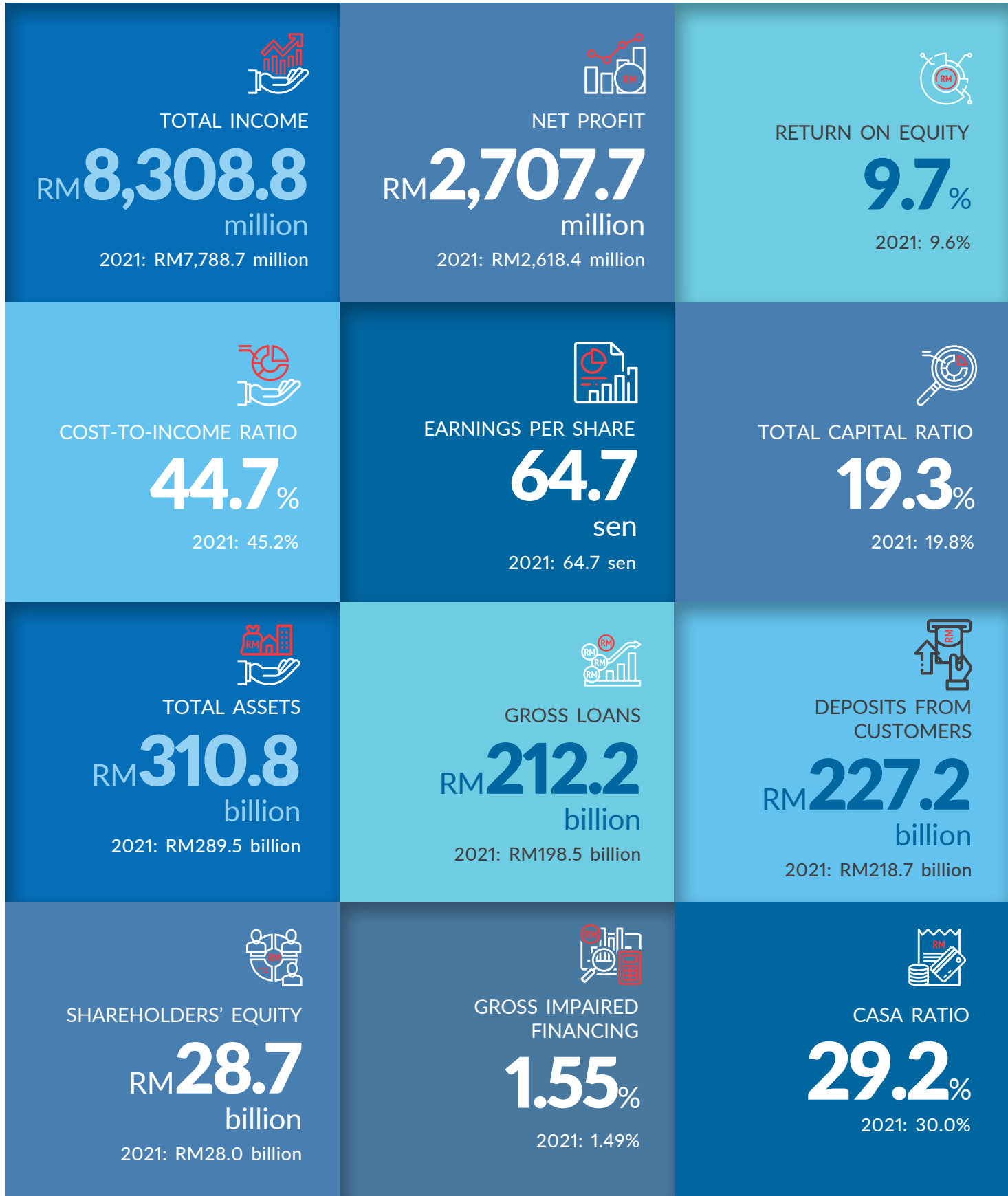
Presence
8 countries **314** branches and offices



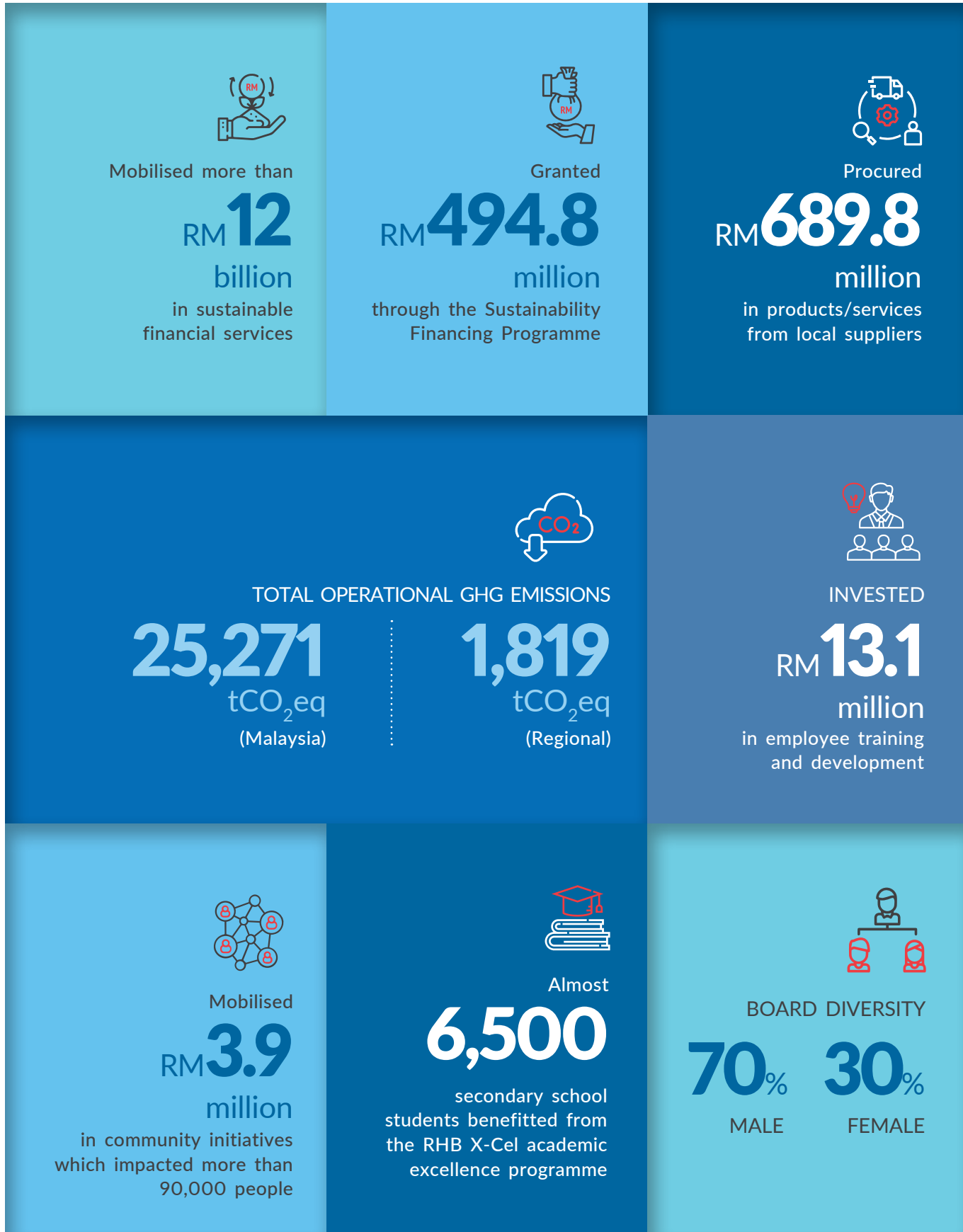
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- MD&A
- RHB
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Attractive Investment Proposition

Financial Highlights



Sustainability Highlights



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Our Presence



MALAYSIA

Services Offered

- Community Banking Business, consisting of Retail and SME
- Wholesale Banking Business, consisting of Investment Banking, Corporate, Commercial, Treasury and Global Markets, Asset Management, Transaction Banking and Economics
- Shariah Business
- International Business
- Insurance Business

Employees

2022 - **12,601**
2021 - **12,555**

Branches/Offices

2022 - **268**
2021 - **309**

MALAYSIA
Total Income 2022
RM7,344.2 mil
RM6,913.6 mil (2021)



SINGAPORE

Services Offered

- Retail Banking
- Corporate & Investment Banking
- Treasury

Employees

2022 - **668**
2021 - **651**

Branches/Offices

2022 - **9**
2021 - **9**

SINGAPORE
Total Income 2022
SGD197.5 mil
SGD174.6 mil (2021)



CAMBODIA

Services Offered

- Retail Banking, Capital Markets and Securities Services

Employees

2022 - **378**
2021 - **308**

Branches/Offices

2022 - **13**
2021 - **14**

CAMBODIA
Total Income 2022
USD32.0 mil
USD31.3 mil (2021)



INDONESIA

Services Offered

- Capital Markets and Securities Services

Employees

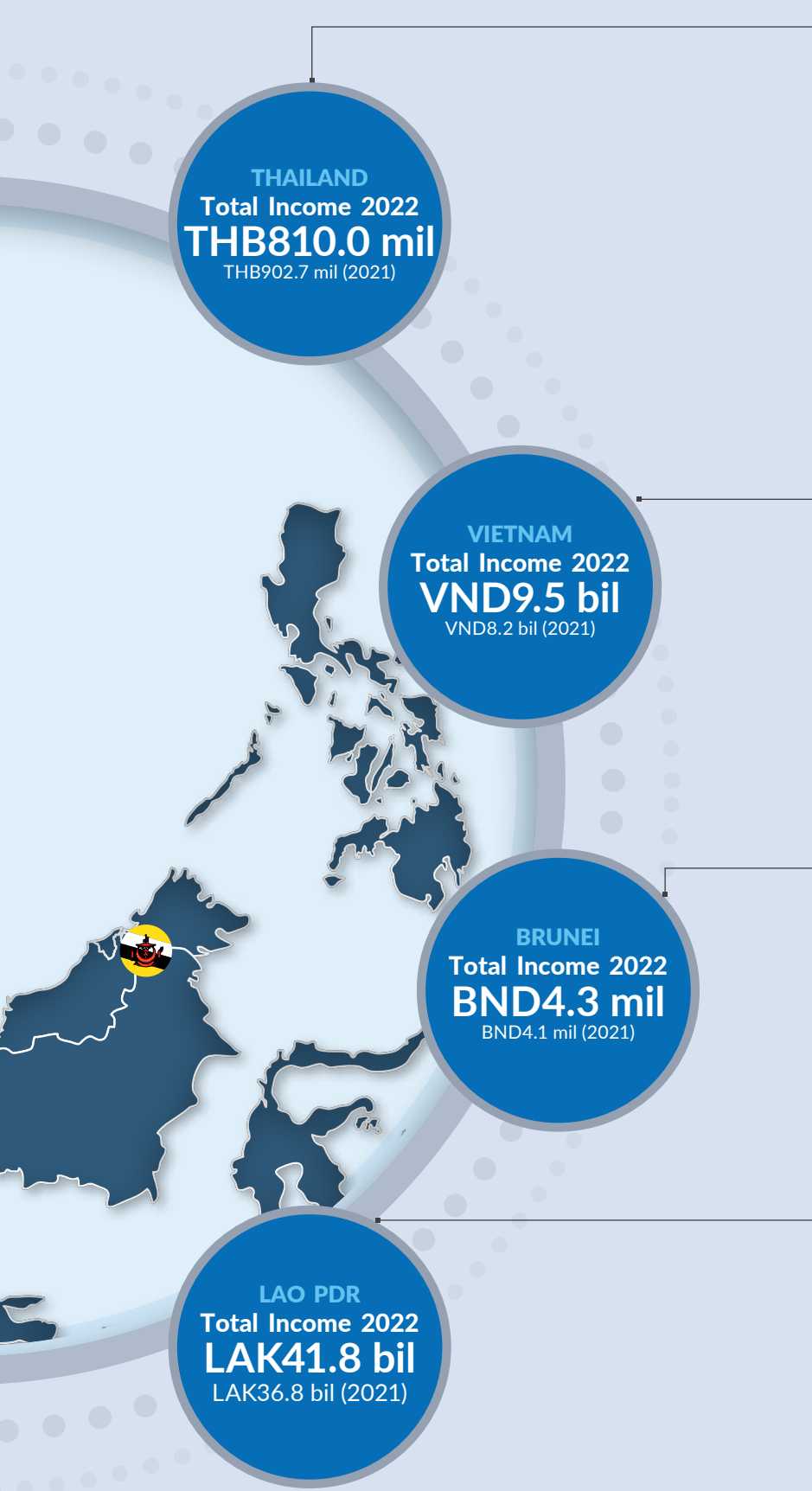
2022 - **171**
2021 - **204**

Branches/Offices

2022 - **14**
2021 - **15**

INDONESIA
Total Income 2022
IDR214.5 bil
IDR209.1 bil (2021)





THAILAND

Services Offered

- Retail Banking, Capital Markets and Securities Services
- Treasury and Corporate Banking



Employees

2022 - 188
2021 - 195



Branches/Offices

2022 - 9
2021 - 10



VIETNAM

Services Offered

- Securities Services
- Representative Office



Employees

2022 - 27
2021 - 26



Branch/Office

2022 - 1
2021 - 1



BRUNEI

Services Offered

- Retail Banking Services



Employees

2022 - 30
2021 - 28



Branch/Office

2022 - 1
2021 - 1



LAO PDR

Services Offered

- Retail Banking Services



Employees

2022 - 71
2021 - 69



Branches/Offices

2022 - 3
2021 - 3

OVERVIEW

LEADERSHIP INSIGHTS

VALUE CREATION

MD&A



SUSTAINABILITY JOURNEY

LEADERSHIP

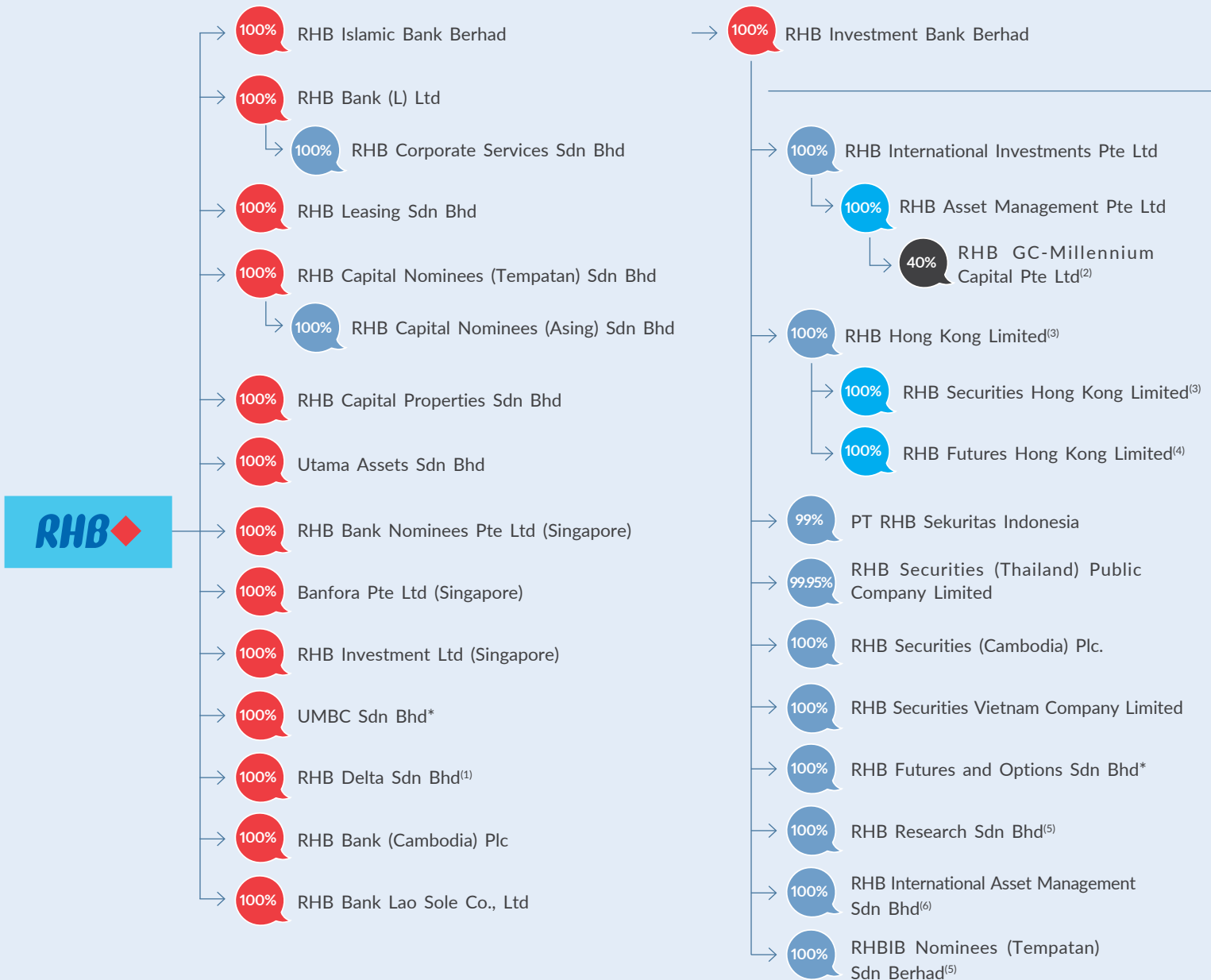
OUR GOVERNANCE

STAKEHOLDERS' INFORMATION

In addition to our strong presence in Malaysia, RHB has a regional footprint that extends across seven other countries in ASEAN.

Group Corporate Structure

28 February 2023



Notes:

* Dormant company

¹ The company commenced member's voluntary winding-up on 16 February 2011.

² Jointly controlled entity.

³ The company commenced member's voluntary winding-up on 31 December 2022.

⁴ The company commenced member's voluntary winding-up on 14 December 2022.

⁵ The company commenced member's voluntary winding-up on 30 June 2017.

⁶ The company commenced member's voluntary winding-up on 27 December 2021.

⁷ Direct shareholdings of 20.00% each held by:

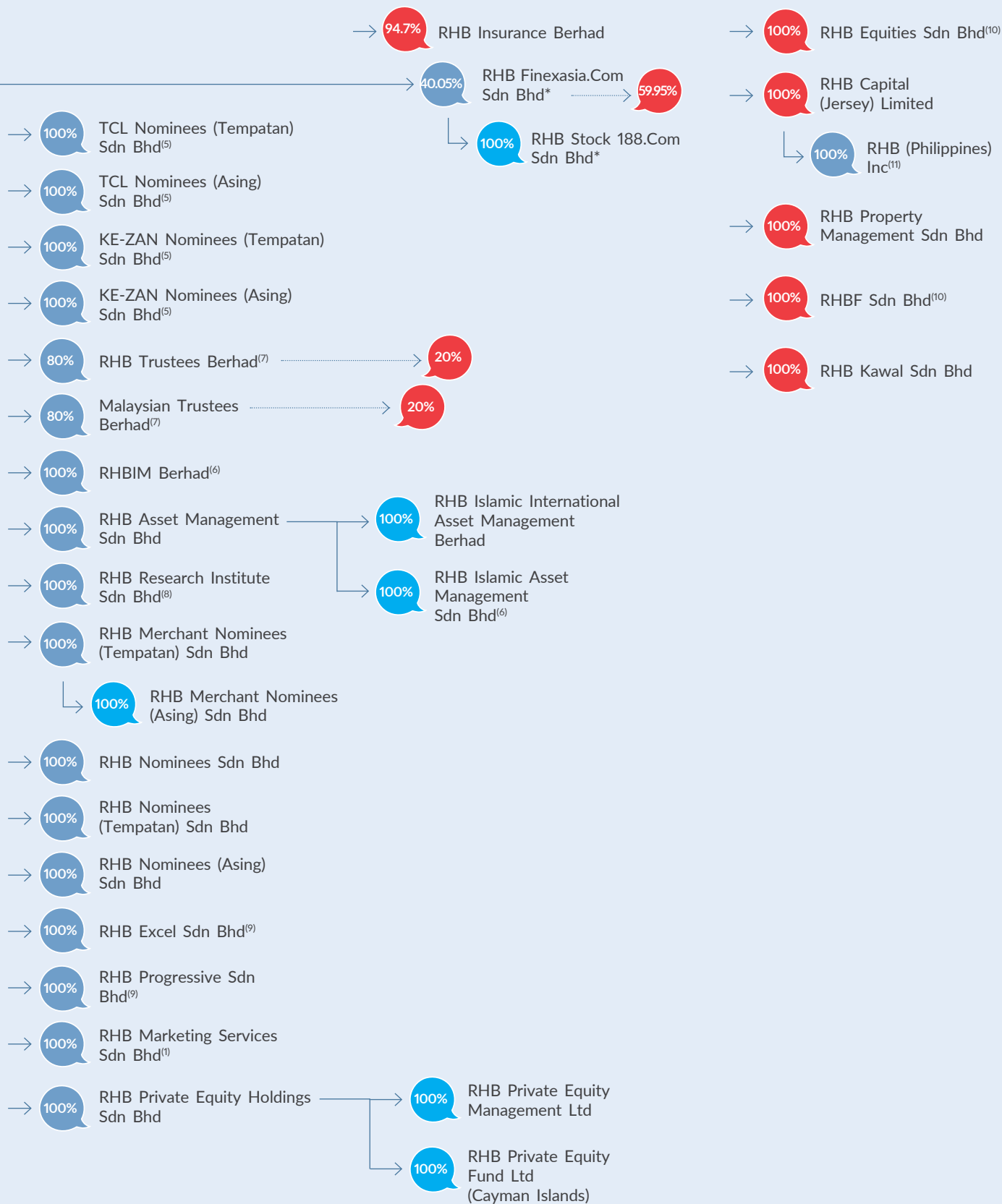
- (i) RHB Investment Bank Berhad;
- (ii) RHB Nominees (Tempatan) Sdn Bhd;
- (iii) RHB Nominees (Asing) Sdn Bhd;
- (iv) RHB Futures and Options Sdn Bhd; and
- (v) RHB Bank Berhad.

⁸ The company commenced member's voluntary winding-up on 30 September 2020.

⁹ The company commenced member's voluntary winding-up on 28 March 2012.

¹⁰ The company commenced member's voluntary winding-up on 3 August 2020.

¹¹ The company commenced the application for voluntary liquidation and dissolution on 25 June 2020.



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What We Do

WHO WE ARE

Group Community Banking (“GCB”) comprises the Retail Banking and SME Banking segments. We serve over 3.9 million individual customers and more than 200,000 businesses, providing both conventional and Shariah-compliant products and services to individual consumers and SMEs. Retail Banking provides consumer banking solutions ranging from Wealth Management, Bancassurance, Mortgages, Auto Financing and ASB Financing to Personal Financing, Credit Cards, Payments and Deposits, while SME Banking provides financing solutions to SMEs and family-owned enterprises. We are committed to serving our customers with excellence and to make banking more convenient and seamless by leveraging digitalisation to deliver innovative, market-relevant products.

WHO WE ARE

Group Wholesale Banking (“GWB”) comprises the key business segments of Group Investment Banking, Group Corporate Banking, Commercial Banking, Group Treasury and Global Markets, Group Asset Management, Transaction Banking and supported by our Research and Economics teams. GWB provides comprehensive and coordinated services across a wide spectrum of products and solutions to cater to the needs and requirements of our clients both in Malaysia and in the region. We are able to help our clients’ progress as we tap the collective expertise and potential for synergies across our business segments, which is also crucial to opening up new opportunities and strengthening our business in the markets where we have presence.

WHO WE ARE

Group International Business (“GIB”) manages our overseas Commercial Banking operations. Our portfolio and solutions span five countries namely Singapore, Cambodia, Thailand, Laos, and Brunei, supported closely by expertise from our Malaysian headquarters. GIB works toward the Group’s aspiration to build an integrated overseas business that leverages localised networks to serve the needs of our diverse customers and clients through our established presence where solutions such as loans, deposits, wealth management, trade financing, regions’ premier banking, Banca and SME lending are provided such that we continue to improve, stay relevant and competitive to our valued clients.

WHO WE ARE

RHB Islamic Bank is the Group’s Islamic Banking arm, providing Shariah-compliant banking and financial services through Group Community Banking and Group Wholesale Banking. RHB Islamic also provides Shariah advisory based on the Shariah Advisory Council’s requirements and policies as well as the integration of Value Based Intermediation into the Group’s business.

WHO WE ARE

RHB Insurance provides general insurance for our retail and corporate customers. We offer a comprehensive range of general insurance and other products for better protection and peace of mind of our customers.

GROUP COMMUNITY BANKING

Strengths and Differentiators

- A leader in business banking, focusing on Small and Medium Enterprises (“SME”) with end-to-end digital onboarding capability for transactional and lending products across various channels
- Differentiated and disruptive client value propositions (“CVPs”) across both Retail & SME client segments

GROUP WHOLESALE BANKING

Strengths and Differentiators

- Market leader in corporate loans and financing, transaction banking, fixed income distribution and underwriting, equity underwriting, merger and acquisition, call warrants and asset management
- Personalised wholesale banking experience built on deep understanding and relationships with clients as well as the capability to provide customer-centric and tailored bespoke solutions
- Differentiated digital solution such as digital onboarding capability, Reflex system with API connectivity, end-to-end digitised supply chain financing and RHB Live FX with real-time FX rates

GROUP INTERNATIONAL BUSINESS

Strengths and Differentiators

- Comprehensive financial solutions supported by a localised and hyper-focused approach to target segments
- Access to regional network spanning five countries in the ASEAN region

GROUP SHARIAH BUSINESS

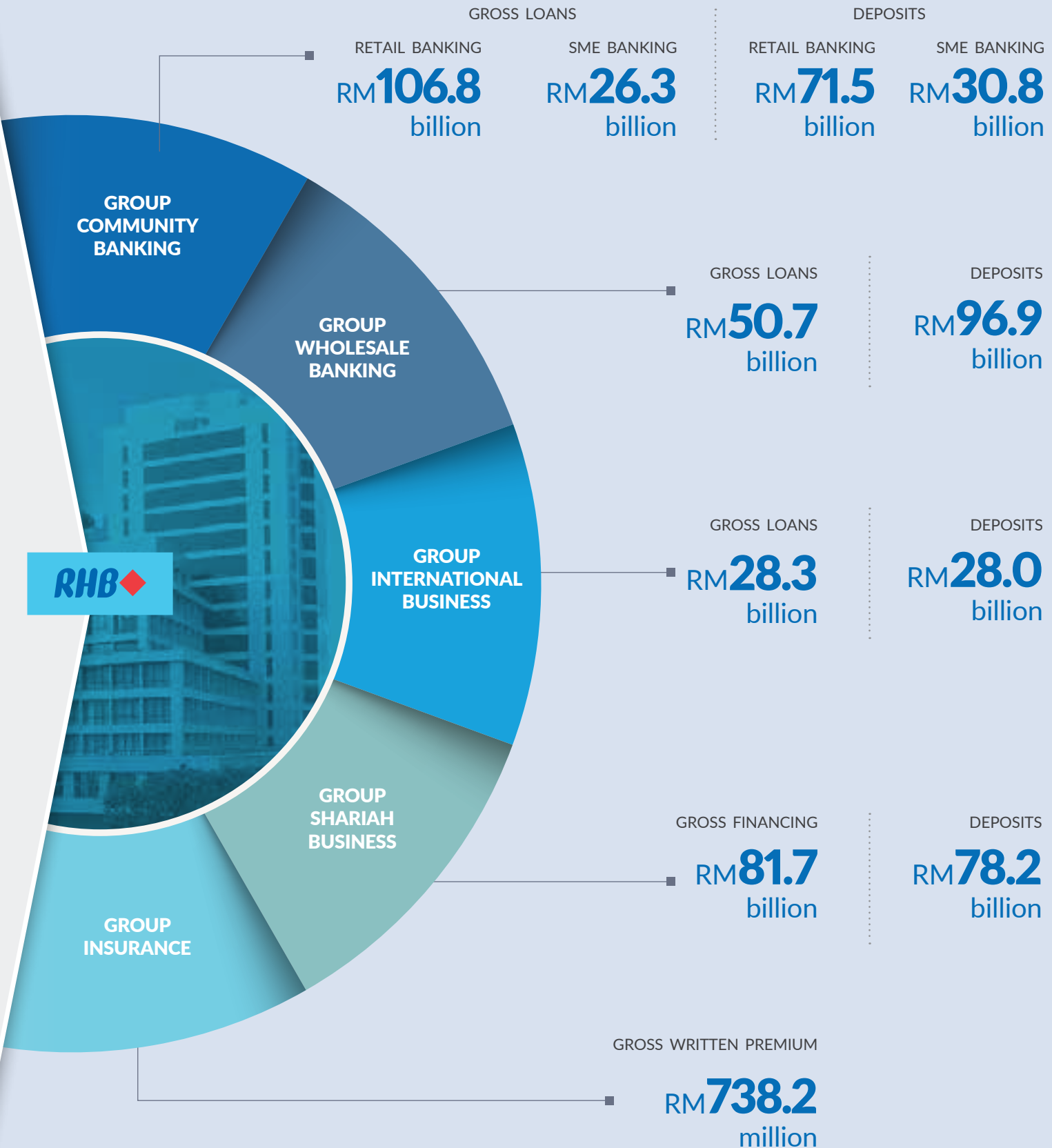
Strengths and Differentiators

- Comprehensive Shariah-ESG funds and Investment solutions

GROUP INSURANCE

Strengths and Differentiators

- Easy and convenient access to service and support through a network of 15 nationwide branches, as well as 751 Pos Malaysia branches with more than 2,200 authorised agents
- Strong rapport with strategic partners for comprehensive financial solutions



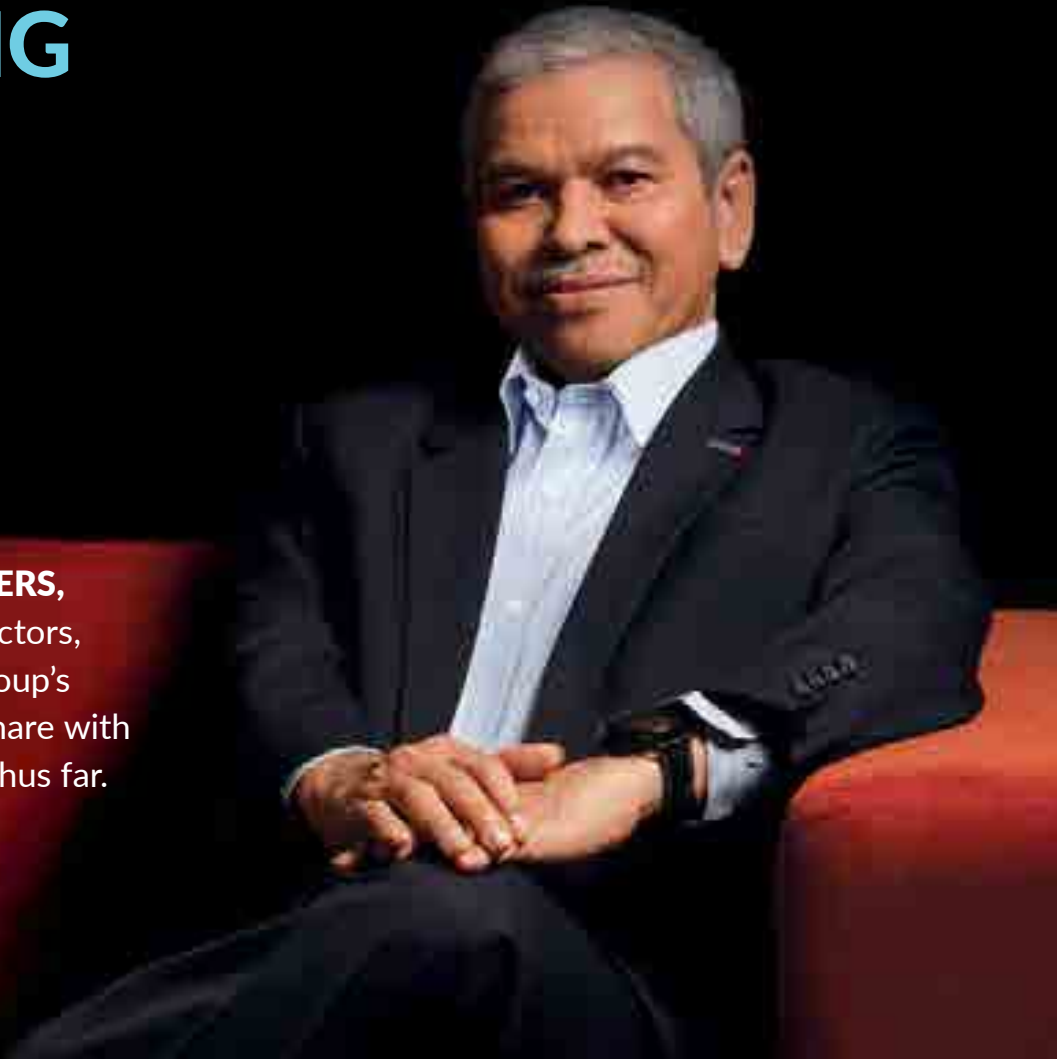
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ADVANCING VALUE CREATION



TAN SRI AHMAD BADRI MOHD ZAHIR
Chairman

DEAR VALUED SHAREHOLDERS,
On behalf of the Board of Directors,
I am pleased to present the Group's
Integrated Report 2022, and share with
you our journey and progress thus far.



TOTAL DIVIDEND
PER SHARE

40 sen
per share

DIVIDEND
PAYOUT RATIO

62.5 %

DIVIDEND
YIELD

6.9 %

BASIC EARNINGS
PER SHARE

64.7 sen
per share

A Message From Our Chairman



OVERVIEW OF 2022

RHB Banking Group (“RHB” or “Group”) demonstrated continued financial resilience in FY2022, reflective of our ability to withstand the aftershock and challenges brought about by the COVID-19 pandemic. We made significant progress in driving value creation and in supporting our customers, colleagues, and especially the communities, throughout their journey of recovery and growth. We strive to fulfil our purpose responsibly in ways that are meaningful to all our key stakeholders.

In line with our value creation journey, the Group launched its new corporate strategy that defines our aspirations, growth strategy, and key focus areas for the Financial Years 2022-2024, themed Together We Progress 24 (“TWP24”).

OUR TWP24 STRATEGY AND ACHIEVEMENTS

Our value-creating strategy guides us in delivering our Brand Promise, **Together We Progress**. TWP24 places shared value at the heart of its objectives – to Be Everyone’s Primary Bank, Prioritise Customer Experience, and Drive Quality Growth.

Building on the momentum of TWP24, we continued to deliver sustainable value on the back of strong fundamentals. In this regard, the Group’s financial performance for FY2022 remained strong, recording a Net Profit of RM2,707.7 million, a 3.4% growth from the previous year.

Despite a challenging economic environment, the banking sector remained resilient with healthy liquidity buffers, forming a stable backbone to the economy. This is significant, given the special focus within the sector on protecting asset quality in view of the prolonged health crisis. Domestic loans grew 5.3% Y-o-Y in 2022, reflecting public confidence in the economic outlook. The sector as a whole, progressed in restoring value in line with economic recovery. We continue to plan ahead and prudently anticipate potential headwinds. At the same time, we are well prepared to move past the recovery phase – as we have done – underlined by our Purpose Statement of **Making Progress Happen for Everyone**.

EXCELLENCE IN SERVICE

As we work towards the next phase of growth, we are placing greater emphasis on enhancing customer experience as a key differentiator to further deepen penetration into targeted customer segments. This is largely driven by the RHB Way Service Culture, an initiative that will drive our ambitions to be a leader in Service Excellence through people, process, technology, and products.

We continuously refine our customer-centric culture to create a coherent and seamless customer journey and brand interaction across our physical and digital touchpoints. It is now more important than ever that our digital service quality is consistent and continuously refreshed to keep pace with customer expectations and rapid technological advancements. This will ensure our digital platforms fully realise their potential in enhancing accessibility and inclusion, bringing the signature RHB experience to all our customers including underserved segments, the B40 community, as well as the SME. This is supported by investments into digitalisation, which are channeled towards growing our Digital, IT, and Analytics (“DIA”) workforce mix to 7.7% of total employees from 6.5% in December 2021.

Enhanced by the Agile way of working and design thinking, our Workforce of the Future will better adapt to service delivery in the digital realm, which has become the preferred way of banking among our customers. Our overall efforts towards service excellence was rewarded with a record performance in Net Promoter Score (“NPS”) of +12 and achieving the Top 3 rank among banks in Malaysia.

OVERVIEW

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VALUE CREATION

MD&A



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A Message From Our Chairman

OUR SUSTAINABILITY JOURNEY

In tandem with our achievements in service excellence, the Group also made significant progress in our sustainability journey. The Group embarked on Phase 2 of its Sustainability Journey with the launch of our Sustainability Strategy and Roadmap in February 2022.

The Group Sustainability Strategy and Roadmap is anchored against three core pillars of Sustainable and Responsible Finance, Embedding Good Practices, and Enriching and Empowering Communities. Underlining that is a sub-pillar for developing a pathway to a climate-resilient future that is aligned to the Group's corporate strategy, and supports the national commitment, as well as aligned to the Sustainable Development Goals, while meeting regulatory expectations.

We aspire to mobilise RM20 billion in sustainable financial services by 2026 and empower more than two million targeted individuals and businesses across ASEAN in the same period. As at December 2022, we achieved more than RM12 billion in Sustainable Financial Services, exceeding our year-to-date target by more than 40%.

We are cognisant that as a financial services group, we play a significant role in ensuring that we support the national agenda of transitioning to a low-carbon economy. Hence, we are committed to achieving carbon-neutral operations by 2030, while developing a pathway to net zero by 2050. Our journey in developing a pathway to net zero kicked off in the first quarter of 2022 with the launch of the Group Climate Action Programme ("GCAP"), which will be implemented over a two-year period, towards enhancing RHB's climate risk management practices and build expertise in managing climate-related risks. This includes integrating Bank Negara Malaysia's Climate Change and Principle-based Taxonomy ("CCPT") into our risk management process.

Meanwhile, our community empowerment and enrichment programmes nurture future generations and communities across Malaysia and ASEAN, targeting SMEs, micro-SMEs, youth, and the young-to-workforce with relevant financial products and services, skills development and financial literacy. This is evident through initiatives such as RHB Money Ma\$ter programme, RHB X-Cel Academic Excellence programme, and other campaigns aimed at improving the financial ecosystem for students and facilitate cashless campuses.

Critical to the success of our Sustainability journey is a robust governance structure that will ensure effective implementation of our sustainability key focus areas. Towards this end, in August 2022 a Board Sustainability Committee ("BSC") comprising three Independent Non-Executive Directors and one Non-Executive Director, was established to assist the Board of Directors in providing strategic

oversight and ensuring the integration of Sustainability and climate-related considerations into the Group's long-term corporate strategy and decision-making process. I am pleased to share that the Group has achieved commendable performance against all its Sustainability Key Performance Indicators ("KPIs").

Looking ahead, we are attuned to future growth opportunities with due recognition of even faster transitions in operating models on the heels of accelerated sustainability adoption nationally and globally, heightened regulatory expectations, as well as greater stakeholder awareness. Our sustainability focus in 2023 will be on driving forward implementation of the Group Sustainability Strategy and Roadmap, as well as GCAP.

For an in-depth disclosure of the Group's sustainability journey, material matters, KPIs and achievements, I would like to invite all our stakeholders to peruse the RHB Sustainability Report 2022.

GOVERNANCE AS A CONDUIT FOR TWP24

Our commitment to maintaining a sustainable business continues to be underpinned by strong governance measures, where we maintain a robust governance framework that is aligned with industry best practices and regulations.

The Board holds dear the conviction that integrity in business is necessary for continued performance. One noteworthy effort is the introduction of our Group Organisational Anti-Corruption Plan ("OACP") that reaffirms our zero-tolerance stance towards bribery and corruption in alignment with the National Anti-Corruption Plan ("NACP") 2019-2023. Implementation of the OACP will reinforce our commitment to ethical conduct, contributing to a nationwide movement to eradicate the threat of corruption from our business and operations.

RHB's risk management and internal control system comprises policies and due processes that ensure the integrity of our day-to-day business dealings. This system is aligned with regulatory and international best practices. We actively manage and monitor key risks and ensure alignment with the Group's risk appetite. The approach we take is forward-looking, anticipating emerging risks and evaluating the associated risk controls. The Board Risk Committee reviews and assesses principal risks against the business model, performance, solvency or liquidity, its likelihood, and costs. Furthermore, a Responsible, Accountable, Consulted, and Informed ("RACI") framework was implemented across various Board committees to strengthen their decision-making authority over emerging ESG and climate-related risks and opportunities.



ESG RATINGS

- Scored **3.9** and **74th** percentile in **FTSE4Good Bursa Malaysia Index**
- **49/100** in the **Corporate Sustainability Assessment**, an improvement of 2 points from the previous year
- Maintained **AA (Leader)** rating in **MSCI ESG Ratings** for the fourth consecutive year

EMPOWERING OUR PEOPLE

RHB strives to maintain a safe, diverse, and inclusive culture, acknowledging that a positive working environment is a constant work in progress. The Board fully supports efforts to accommodate, embrace, and celebrate diversity within our ranks towards building a strong leadership pipeline founded on the values of Diversity, Equity, and Inclusion (“DEI”).

RHB’s flagship Women in Leadership League (“WILL”) programme is a structured leadership development programme to provide selected female employees the opportunity to develop their leadership skills through a women-led perspective. This is in line with our priority to improve female representation in Top and Senior Management positions, supported by structured learning and development programmes and strategic succession planning. In addition, 2022 saw us proactively baselining the level of DEI culture and awareness across the Group as we recognise that a strong DEI-friendly culture helps foster innovation, value creation and ultimately, financial resilience.

Our people are given targeted development opportunities to support their careers and their ability to drive the Group’s strategic objectives. Sustainability and climate-related knowledge as well as design thinking are among the key areas of development that is relevant to support our sustainability aspirations and to futureproof our workforce. In this regard, the Group has invested RM13.1 million in future-proofing our employees for financial year 2022.

DELIVERING SHAREHOLDER VALUE

In appreciation of the continued trust and support of our shareholders, I am pleased to share that the Board has declared a second interim dividend of 25 sen per share, consisting of cash payout of 20 sen per share and an electable portion under the Dividend Reinvestment Plan of 5 sen per share. Together with the first interim dividend of 15 sen per share, total dividend for FY2022 amounts to 40 sen per share or 62.5% payout ratio, translating into a dividend yield of 6.9%.

FORGING AHEAD WITH YOUR SUPPORT

Allow me to start by thanking all my fellow members of the Board of Directors for their sound oversight and guidance as well as their relentless focus in driving the adoption of good governance, strong risk management culture, and a holistic Sustainability agenda across the Group’s business and operations.

Our sincere appreciation to our shareholders, customers, business partners and all other stakeholders for your continued support, trust, and loyalty in progressing with us through a challenging business environment.

To the Group Senior Management, led by the Group Managing Director, thank you for your commitment, hard work, and dedication in driving the Group’s TWP24 strategy and in delivering a commendable performance in 2022. Your collective leadership has brought the Group to where it is today. Our appreciation also goes to all RHBians who have contributed countless hours to deliver results, in many cases going over and beyond what is required. You represent what it means to create value for our customers, shareholders, communities, and all other stakeholders. Indeed, it is a pleasure to be part of a dynamic working environment together with such a dedicated team.

Last but not least, our sincere gratitude goes to the Ministry of Finance, Bank Negara Malaysia, the Securities Commission, Bursa Malaysia, and all other regulatory authorities within the countries where we have a presence, for your continued guidance throughout the year.

In closing, I am confident that we will continue RHB’s story of sustainable progress in the years ahead, and we remain committed to value creation by *Making Progress Happen for Everyone*.



Tan Sri Ahmad Badri Mohd Zahir
Chairman

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SERVING CUSTOMERS THE RHB WAY

MOHD RASHID MOHAMAD

Group Managing Director/Group Chief Executive Officer



DEAR VALUED SHAREHOLDERS,

The financial year 2022 has been a fulfilling year, as I began my journey as Group Managing Director/Group Chief Executive Officer of RHB Banking Group. The past year was immersed in new discoveries and a renewed determination that centres on steering the Group towards new levels of growth and enhanced value creation for our stakeholders.

This report takes you through our journey of recovery and growth where we continue to build a more inclusive and sustainable financial ecosystem for our customers, employees, and communities, to better serve all our stakeholders.

With this, I am pleased to present to you RHB's Integrated Report 2022.

A REVIEW OF 2022

On a macroeconomic level, economic recovery was mild, influenced heavily by interest rate movements in major economies, high inflation, and volatile commodities resulting from continued geopolitical unrest.

Resilience in domestic demand was buoyed by private consumption as the main driver of growth, with well-established norms and practices having unravelled following the public health and resultant supply chain crisis. Natural disasters during the year brought further pressure to the financial conditions of both individuals and businesses.

Nevertheless, the banking sector remained resilient, withstanding pressures in the operating environment to maintain profitability and attractive returns. Similarly, RHB had remained steadfast in addressing customers' financial concerns to help them navigate through challenges and together with them, we continue progressing even more rapidly towards greater recovery.

For more on the operating landscape in 2022, refer to the Economic Review on pages 44 to 47.

PERFORMANCE HIGHLIGHTS

I am pleased to share that RHB has delivered yet another year of commendable results, focused on quality growth, service excellence, and operational efficiency.

The Group achieved a 3.4% increase in net profit to RM2,707.7 million for the financial year ended 31 December 2022, while total income grew 6.7% to RM8,308.8 million, mainly from higher net fund-based income. Our business remained resilient with strong performance in the Retail and SME segments, while our Group Wholesale Business faced a challenging year due to tough market conditions.

The Group's gross loans and financing grew 6.9% year-on-year to RM212.2 billion, largely contributed by strong growth in mortgage, auto finance, SME and Commercial. Our SME loans grew 7.9% YoY, making our SME business one of the strongest in the Malaysian banking sector.

Our International businesses continued to be important engines of growth in FY2022, with our two key markets in the ASEAN region, Singapore and Cambodia, posting a strong performance in terms of profitability and loan growth.

For more on RHB's performance in 2022, refer to the Performance Review on pages 73 to 75.



PROFIT BEFORE TAX

RM **4,170.8**
million

NET PROFIT

RM **2,707.7**
million

EARNINGS PER SHARE

64.7
sen

TOTAL OPERATIONAL
GHG EMISSION

25,271
tCO₂eq
(Malaysia)

1,819
tCO₂eq
(Regional)

INVESTED

RM **13.1**
million

in employee training
and development

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A NEW STRATEGIC FOCUS



DRIVING QUALITY GROWTH

A significant development in 2022 was the launch of the Group's new corporate strategy, Together We Progress 2024 ("TWP24"), that spans from 2022 - 2024. TWP24 revolves around the Group's ambition to become a leader in Service Excellence in its quest to deliver sustainable value, with these key strategic objectives: Be Everyone's Primary Bank, Prioritise Customer Experience, and Drive Quality Growth. The shorter three-year implementation period for the strategy positions the Group to be even more agile in navigating and responding to future challenges within the increasingly fluid business environment.

SR For more on the TWP24 strategy, refer to Strategic Review on pages 70 to 71. [🔍](#)

CUSTOMERS AT THE HEART OF RHB

Customer-centricity is engineered into TWP24, and driven largely by our group-wide RHB Way service transformation programme. We recently launched RHB Way 2.0, which drives our ambition of becoming a leader in service excellence and is anchored by three fundamentals of our service commitment, namely to Build Trust, Deliver Convenience, and Create Value.

Our efforts in elevating customer experience have reaped notable results, as evidenced by a record-high Net Promoter Score of 12+ and third ranking in the Malaysian banking industry – a first for RHB. This achievement is further amplified by our Silver Award in Banking, Investment, and Insurance at the Putra Brand Awards 2022, reflective of the strong, lasting, and meaningful connection that we have created between the RHB brand and our customers.

The Group's digital transformation has contributed to our drive towards greater customer experience. To this end, the Group has committed RM500 million to improve customer experience, of which RM400 million has been earmarked for automation and modernisation of our systems. The remaining RM100 million will be invested into upskilling employees to build a future-ready workforce that is critical in driving an integrated and responsive service excellence culture within the organisation.

SR For more on our customer-centric initiatives, refer to Customer Relationship Management on pages 72-75 of RHB's Sustainability Report 2022.

SUSTAINING ESG MOMENTUM

We are at the tipping point of a new era in the industry, where Environmental, Social and Governance (“ESG”) considerations have taken centre-stage in all aspects of our business and operations. The integration of ESG in the financial services space has gained momentum among our customers and regulatory authorities who expect banks to step up in facilitating sustainable practices. This development has prompted financial institutions to ramp up efforts in embracing, catalysing, and championing sustainable best practices. Integrating sustainability considerations into our business strategy and financing approach has long been a dedicated commitment of the Group.

The Group Sustainability Strategy and Roadmap is built on three core pillars: Sustainable and Responsible Finance, Embedding Good Practices, and Empowering Communities. It is further strengthened by our sub-pillar of developing a Pathway to a Climate-Resilient Future. Our Sustainability Strategy and Roadmap are underpinned by three aspirations, which are constantly reviewed to ensure they are aligned with the Group’s immediate and long-term corporate strategy, societal needs, as well as evolving regulatory requirements and national Sustainable Development agenda. Our three Sustainability aspirations are:

- Support sustainable development by mobilising RM20 billion in sustainable financial services by 2026
- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve carbon-neutral operations by 2030 and develop a pathway to net zero by 2050

We aspire to mobilise RM20 billion in sustainable financial products and services by 2026. We will achieve this by working across our businesses in lending and financing, capital markets and advisory, wealth management, investments, and insurance. This has translated into the launch of new products and better access to financial services that serve the needs of various segments of the community. We have extended over RM12 billion in Sustainable Financial Services as at end December 2022, setting us strongly on track to realise the total committed amount.

RHB is also committed to financial inclusion by providing access to financial products and services to targeted individuals including students, youth, new to the workforce, as well as businesses (SMEs, microenterprises). In 2023, we will kick-start our programme to support and facilitate SMEs in their transition journey through knowledge building, advisory and making available sustainable financing solutions.

“We have extended over RM12 billion in Sustainable Financial Services as at end December 2022, setting us strongly on track to realise the total committed amount.”

We continue to place emphasis on greater diversity within the Group, and we aim to nurture a fair, diverse, and inclusive workforce. As at 31 December 2022, RHB has achieved 30.3% women representation in leadership positions. We view this as the beginning of greater representation for women in management and senior management positions. Through structured development programmes such as our Women in Leadership League (“WiLL”) programme, we aim to empower more of our people with professional development opportunities and remove barriers to inclusion.

In March 2023, we introduced our Sustainability Capability Building Framework (“SCBF”), which aims to foster among our people the skills needed to achieve the Group’s sustainability and climate agenda. The programme anticipates the workforce-related challenges of sustainable growth, especially of the low-carbon transition.

On the social front, RHB’s community enrichment and empowerment initiatives focus on Nurturing Future Generations and Lifting Communities. These programmes promote growth and resilience in children and young adults through holistic learning and self-development, while improving the lives of vulnerable and underserved segments through meaningful community empowerment programmes, which include capacity building and skills development.

SR For more on our approach to the Group Sustainability Strategy and Roadmap, refer to RHB’s Sustainability Report 2022.

“We aspire to mobilise RM20 billion in sustainable financial products and services by 2026.”

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DRIVING CLIMATE ACTION

A key sub-pillar of the Group Sustainability Strategy and Roadmap is developing a pathway towards a climate-resilient future. The Group Climate Action Programme (“GCAP”), rolled out in 2022, outlines our net-zero pathway to a climate-resilient future. Phase 1 was completed in 2022, focusing on climate risk management, ambition setting, and blueprint benchmarking against industry best practices and the relevant regulatory requirements. Now in Phase 2 of implementation, our initiatives cover the end-to-end spectrum of Climate risk strategy, governance, risk management, and disclosure that are aligned with Bank Negara Malaysia’s guidelines towards developing the Group’s pathway to net zero by 2050. The GCAP is further supplemented by a roadmap and blueprint for achieving carbon-neutral operations by 2030, which will guide us towards reducing our operational emissions while offsetting residual emissions.

Managing our financed emissions is an integral component of our climate strategy, and the Group has formalised its stance to no longer finance new thermal coal projects. This is further enhanced by the institutionalisation of a new No Peat, Deforestation, and Exploitation (“NDPE”) policy which is now part of the Group Credit Policy on Prohibited Credits. We continue to assess ESG and climate risks in our portfolio through the ESG Risk Assessment Tool (“ERA”), which was further enhanced in 2022 and is now aligned with BNM’s Climate Change and Principles-based Taxonomy (“CCPT”). At the same time, we are committed to engaging with our clients on their own decarbonisation strategies.

SR For more on RHB’s response to climate change, refer to RHB’s Sustainability Report 2022.

NURTURING A WORKFORCE OF THE FUTURE

Our sustainability and business aspirations place an exacting demand on the skills and capabilities of our people. At RHB, the Workforce of the Future that we envision will be well equipped for the challenges and opportunities of a digital economy. This means the transformation of old habits and practices into new and innovative approaches, supported by the Agile Way of Working. With this in mind, we continue to channel efforts and resources towards accelerating our ongoing digitalisation journey, operationalising new technologies, as well as enhancing capacity and knowledge building throughout the Group.

The structured development programmes that we have in place for employees target various skill-based and role-based needs, while running alongside our comprehensive talent management strategies and initiatives. Training is focused on enabling and empowering employees holistically, blending delivery methods to inculcate a stronger customer-centric mindset. At the same time, we acknowledge the importance of mental health in the workplace; as such, we have implemented numerous wellness campaigns for the benefit of our employees. To inculcate a conducive working environment for our employees, we have also made the option of working from home a fixed benefit to allow for greater freedom and flexibility in our employees’ lives.

SR For more on our People strategies, refer to Talent Management on pages 90-92 and Employee Learning and Development on pages 92-95 of RHB’s Sustainability Report 2022.

VENTURING OPTIMISTICALLY INTO 2023

RHB remains optimistic in navigating through challenges that may come our way, despite the subdued outlook for 2023. Expectations of higher domestic demand in Malaysia as well as among ASEAN economies will present pockets of growth opportunities, where we will progress further ahead through the execution of our TWP24 strategy. We will continue to carve inroads along the same guiding principles that have been key to other areas of achievement, with a special focus on investments in digitalisation and human capital while being guided by our customer-centric aspirations and greater commitment to sustainable value creation.

ACKNOWLEDGEMENTS

On behalf of the Group Senior Management and my fellow RHBians, I would like to express our gratitude to our shareholders, customers, business partners, and all other stakeholders for their continued support and trust. We look forward to the many years ahead of growing and progressing together.

Our utmost appreciation to the Chairman and the Board of Directors, whose continued guidance, advice, and foresight have enlightened, challenged, and motivated us towards achieving greater success. Similarly, to my colleagues on the Group Management Committee, thank you for your invaluable support and commitment throughout the past year.

Our gratitude also extends to the Ministry of Finance, Bank Negara Malaysia, Securities Commission, and Bursa Malaysia, as well as the relevant regulatory authorities both in Malaysia as well as regionally for their invaluable support and guidance.

Last but certainly not least, to all RHBians, I would like to express my sincere appreciation and gratitude for your continued hard work and dedication in delivering sustainable value to all our stakeholders. Let’s continue to drive our business towards greater achievements in the years to come.



Mohd Rashid Mohamad
Group Managing Director/Group Chief Executive Officer

In Conversation with the GMD

Q This is your first year as GMD of RHB. What are your thoughts on entering this exciting new role?

A My history with RHB Bank dates back to 2014. The business is certainly not new to me, but this new leadership position is a fresh and welcome change. I am grateful for a prior understanding of the inner workings of RHB and its culture and legacy. Coming from this background, I am all too aware of RHB's current position and what it needs to do to move forward.

As I started my new role and responsibility, I was confronted by the kind of leadership legacy that I would like to leave behind. My mentor early in my career has been a source of inspiration. She provided clear direction and leadership, qualities particularly important in recent times. I also believe that leaders should be able to leverage their teams to double the impact that they would achieve alone.

Q As you embark on this new role, how do you ensure stakeholder needs are met?

A On my first day in this position, my immediate priority was to establish a deep level of engagement with the Group's diverse stakeholders. I will continue to be personally involved in stakeholder engagement sessions. In this process, trust is a necessary condition. Trust is such an intangible asset, but it forms the foundation for customer loyalty, making a relationship based on shared growth possible.

Q If you have to select one thing, what would be the core of TWP24?

A I have had the opportunity to be involved in developing and formulating RHB's strategy over the years, including the newest strategy, TWP24. I have three years to deliver the promises of TWP24, and I believe this hinges on how we serve our customers. My experience in Treasury and Wholesale Banking has shaped my understanding of client needs and how to meet those needs. That is a space that RHB can still win in. Every bank talks about customer service, but how many can actually reach customers on the ground with the same level of service? In developing TWP24, the vision amongst the Management team was very clear - that customer experience would be central to the strategy.

Q Any final thoughts to share?

A I personally want to walk the talk with our purpose statement, Making Progress Happen for Everyone. As a trusted bank, our purpose resonates particularly strongly with our SME customers. As digital innovation and sustainable financing pick up momentum at RHB, we want to assure our SME customers that they will not be left behind. Advancing and facilitating SMEs to transition towards sustainable practices is a clear intent of our engagements, which aligns with our purpose. This is how we are building trust with our customers and becoming a bank that they can rely on amid the currents of change.

“ The success of RHB's newest strategy, TWP24, is dependent on how the bank serves its customers. I believe that RHB can win by focusing on meeting client needs and providing excellent customer service to all. ”



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Our Approach to Value Creation

Our approach to value creation is a holistic process taking into consideration multiple key influential factors that affect our business outcomes. These interconnected factors are the operating environment, our key capitals, stakeholders, material matters, risks and opportunities, our business strategy, and the value created. The chart below outlines the definitions and connections between these factors in our value-creation journey.

01 Evaluate Our Operating Environment

See page 44

The **political, socioeconomic, and environmental landscape** in which the Group operates encompasses the entire ecosystem of players and factors that can directly or indirectly influence our ability to operate on a **local, regional, and global scale**.

02 Identify Risks and Opportunities

See page 56

The risks and opportunities surrounding our material matters and core businesses are governed by our risk management framework and strategic priorities.

- | | |
|---|---|
| CR Credit Risk | SNR Shariah Non-Compliance Risk |
| MR Market Risk | SR Sustainability Risk |
| LR Liquidity Risk | RR Reputational Risk |
| OR Operational Risk | CR Corruption Risk |
| TCR Technology and Cyber Risk | IBR Interest Rate Risk in the Banking Book/Rate of Return Risk in the Banking Book |
| RNR Regulatory Non-Compliance Risk | |

03 Strengthen Stakeholder Relationships

See page 34

We create and derive value for and from the stakeholder groups with whom our business interacts. They are impacted by our business and, at the same time, create impacts on our business.

- | | |
|---|---|
| CU Customers | SI Shareholders and Investors |
| RA Regulatory Authorities and Policymakers | SB Suppliers and Business Partners |
| EM Employees | FI Financial Industry Peers |
| CO Communities | |

04 Identify and Prioritise Material Matters

See page 54

The most relevant topics to our business and stakeholders based on a review of stakeholder concerns and business concerns.

- | | |
|---|--|
| ERM ESG Risk Management | DC Data Protection and Cybersecurity |
| CC Climate Change | TM Talent Management |
| SF Sustainable Financial Services | EL Employee Learning and Development |
| CM Customer Relationship Management | EW Employee Health, Safety and Wellness |
| FC Fair Treatment of Financial Consumers | DO Diversity and Equal Opportunity |
| FI Financial Inclusion | ES Environmental Stewardship |
| DI Digitalisation and Investment in Technology | SC Sustainable Supply Chain |
| GG Good Business Governance | CE Community Empowerment and Enrichment |

05 Embed Best ESG Practices

See page 122

Our unwavering commitment to stakeholder value is reflected in our alignment with the sustainability and climate-related agenda. We strive to create shared value and make a positive impact by integrating **ESG considerations** into every decision we make. We have developed a comprehensive **5-Year (2022-2026) Sustainability Strategy & Roadmap**, which outlines our focus and commitment to sustainability across the following pillars:



06 Shaping and Executing Our Strategies

See page 26

RHB's corporate strategy guides the Group to achieve its vision and purpose. Our strategies cover the management approaches of the material matters as well as risks and opportunities. We deploy the six capitals to execute and deliver the goals of RHB's brand promise, *Together We Progress*.

TWP24 is RHB's new 3-year Corporate Strategy from 2022-2024



Focus Areas

These strategic objectives will be delivered through 7 focus areas:

- Be the Primary Financial Services Provider
- Integrate into Key Islamic Ecosystems
- Build an Integrated Overseas Business
- Catalyse Sustainability
- Employ Cutting Edge Technology
- Develop a Future-ready Workforce
- Accelerate Intelligent Banking Services

07 Disciplined Capital Allocation and Trade-Offs

See page 28

The six capitals are the main inputs and resources that drive our operations. We invest in all six capitals and balance the growth of each to maximise output, making suitable trade-offs where necessary.

- FC Financial Capital
- MC Manufactured Capital
- HC Human Capital
- IC Intellectual Capital
- SRC Social & Relationship Capital
- NC Natural Capital

08 Integrate Into Value Creation Model



09 Value Created

See page 38

At the core of RHB lies a deep commitment to **creating sustainable value** for all our stakeholders. Whether it's our valued customers, shareholders or employees, we are dedicated to positively impacting everyone we interact with, including the wider society. To ensure that we stay on track and hold ourselves accountable to our long-term goals, we meticulously track our progress against a set of Key Performance Indicators ("KPIs"). By doing so, we can continue to progress with our stakeholders in **building a sustainable tomorrow**.

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Our Value Creating Business Model

We leverage various resources...

to drive our business...

INPUTS

HC HUMAN CAPITAL

- 14,139 employees
- RM13.1 million invested in learning and development programmes
- Rolled out over 20 employee engagement initiatives
- 28 women leadership programmes conducted

FC FINANCIAL CAPITAL

- Market capitalisation: RM24,592 million
- Shareholders' Equity: RM28.7 billion
- Deposits from Customers: RM227.2 billion
- Gross Banking Loans, Advances and Financing: RM212,200 billion

MC MANUFACTURED CAPITAL

- 314 offices and branches across the ASEAN region
- 1,672 self-service terminals in Malaysia which includes ATMs, Cash Deposit Machines, Cheque Deposit Machines, Cash Recycler Machines and Coin Deposit Machines
- More than 700 physical touchpoints

IC INTELLECTUAL CAPITAL

- Investment in Marketing grew 3.8% Y-o-Y
- Investment in IT/Technology: RM200 million over the last five years
- Members of 46 industry associations, and a member of 4 ESG-related committees/sub-committees
- Our online and mobile banking platforms:
 - RHB Online Banking
 - RHB Mobile Banking App
 - RHB Reflex Online Banking
 - RHB Reflex Mobile App
 - RHB SME Online Financing
 - RHB Financing (SME) Mobile App
 - RHB Online Insurance
 - RHB Insurance Mobile App
 - RHB Tradesmart Online Trading
 - RHB TradeSmart Mobile App
 - RHB Partners App
 - RHB MyHome App

SRC SOCIAL & RELATIONSHIP CAPITAL

- Customers**
- RM500 million invested in customer experience (80% on systems/digitalisation and 20% on soft aspects of service)
 - RM2,840.26 million distributed in social financing
- Suppliers**
- Number of registered suppliers: 667 (629 local suppliers)
- Communities**
- Approximately RM3.9 million invested in community initiatives
 - Invested more than RM2.1 million (2021: RM1.5 million) to RHB X-Cel Academic Excellence programme
 - Invested more than RM650,000 (2021: RM300,000) to RHB X-Cel Star programme
 - RM397,560 zakat granted under the Be Your Own Boss (BEST-BYOB) Programme

NC NATURAL CAPITAL

- Total electricity used (Malaysia and Regional): 43,711,088 kWh
- Total Water Consumption: 126,222 m³
- RM7,772.65 million invested in eligible green activities since 2019

MATERIAL MATTERS

- ERM** ESG Risk Management
- CC** Climate Change
- SF** Sustainable Financial Services
- CM** Customer Relationship Management
- FC** Fair Treatment of Financial Consumers
- FI** Financial Inclusion
- DI** Digitalisation and Investment in Technology
- GG** Good Business Governance
- DC** Data Protection and Cybersecurity
- TM** Talent Management
- EL** Employee Learning and Development
- EW** Employee Health, Safety and Wellness
- DO** Diversity and Equal Opportunity
- ES** Environmental Stewardship
- SC** Sustainable Supply Chain
- CE** Community Empowerment and Enrichment

Read more on page 54

TWP24

Be Everyone's Primary Bank

Prioritise Customer Experience

Drive Quality Growth

Strategic Focus Areas

- Be the Primary Financial Services Provider
- Employ Cutting Edge Technology
- Integrate into Key Islamic Ecosystems
- Develop a Future-Ready Workforce
- Build an Integrated Overseas Business
- Accelerate Intelligent Banking Services
- Catalyse Sustainability

Read more on page 70

SUSTAINABLE & RESPONSIBLE FINANCE

EMBEDDING GOOD PRACTICES

ENRICHING & EMPOWERING COMMUNITIES

PATHWAY TO A CLIMATE-RESILIENT FUTURE

Sustainability Focus Areas

- 01 Sustainable Financial Services
- 02 Financial Inclusion
- 03 Advancing SMEs Towards Sustainable Business Practices
- 04 Ethics and Conduct
- 05 People & Workplace
- 06 Sustainable Supply Chain
- 07 Nurturing Future Generations
- 08 Empowering Communities

Read more on Sustainability Report page 133

Key Market Trends

- 01 Digital Acceleration
- 02 Geopolitical and Economic Developments
- 03 Financial Market Volatility
- 04 Shifting Ways of Work and Employee Expectations
- 05 Growing ESG Influence
- 06 Fintech Competition

Read more on page 50

Credit Risk • Market Risk

GROUP COMMUNITY BANKING

GROUP INSURANCE

Technology and Cyber Risk

Supported by robust governance framework

PURPOSE STATEMENT

> **MAKING PROGRESS HAPPEN FOR EVERYONE**

BRAND PROMISE

> **TOGETHER WE PROGRESS**

OUR VALUES

> **P R I D E**
 PROFESSIONAL RESPECT INTEGRITY DYNAMIC EXCELLENCE

...and deliver meaningful value.



OUTPUTS

- **Group Community Banking**
 - SME loans: **7.9% increase**
- **Group Wholesale Banking**
 - Total Deposits: **RM96.9 billion**
- **Group International Business**
 - Profit before Tax: **243.7% growth**
- **Group Shariah Business**
 - Zakat Distributed to State Zakat Authorities: **RM6 million**
- **Group Insurance Business**
 - Gross Written Premium (GWP): **RM738.2 million**
- **Paper Consumption: 153,835 reams**

OUTCOMES		STAKEHOLDERS	SDG s
HC HUMAN CAPITAL	<ul style="list-style-type: none"> • Employees trained: 106,449 • Diversity of workforce <ul style="list-style-type: none"> - Male: 5,739 (40.6%) (2021: 5,640 (40.2%)) - Female: 8,400 (59.4%) (2021: Female: 8,402 (59.8%)) • Employee Engagement Score ("EES") of 91% (2021: 90%) • Employee Retention Rate: 82.2% (2021: 84.8%) 	EM	5 GENDER EQUALITY, 9 DECENT WORK AND ECONOMIC GROWTH
FC FINANCIAL CAPITAL	<ul style="list-style-type: none"> • Profit Before Tax ("PBT"): RM4,171 million (2021: RM3,529) • Total Income increased: 6.7% (2021: 8.4%) • Total Assets increased: 7.3% (2021: 6.8%) • Return-on-Equity ("ROE"): 9.7% (2021: 9.6%) • Dividend Payout Ratio: 62.5% (2021: 62.9%) or 40 sen per share (2021: 40 sen per share) • CET1 Ratio: 16.9% (2021: 17.2%) • Net Assets per Share: RM6.76 (2021: RM6.76) 	SI	9 DECENT WORK AND ECONOMIC GROWTH
MC MANUFACTURED CAPITAL	<ul style="list-style-type: none"> • Average number of transactions conducted at counters RHB branches: 31,761 (2021: 30,110) • Average number of transactions conducted through self-service terminals within RHB branches: ATM: 62,220 and CDM: 27,805 (2021: ATM: 68,782 and CDM: 23,820) • Number of transactions conducted through self-service terminals (OPA): ATM: 65,009 & CDM: 9,661 (2021: ATM: 69,986 & CDM: 9,960) 	SI, CU	9 DECENT WORK AND ECONOMIC GROWTH
IC INTELLECTUAL CAPITAL	<ul style="list-style-type: none"> • Brand value: USD965 million (2021: USD824 million) • Digital channel transaction volume: ~500 million (2021: 499.2 million) • Onboarded over 1.4 million users (2021: 1.02 million) on the RHB mobile banking app since its launch in April 2019 • Rated AA (Leader) for MSCI ESG • Scored 49/100 in the 2022 S&P ESG Ratings (2021: 47/100) • Delivered a cumulative profit of RM278 million (2022: RM139 million) since 2017 through digitisation of customer journeys • Personal Finance Sale via digital channel: ↑146% vs. 2021 • Productivity improvement increased by 23% (2021: 36%) with 188 (2021: 186) routine Minimum Viable Products ("MVPs") 	SI, RA, CU	4 QUALITY EDUCATION
SRC SOCIAL & RELATIONSHIP CAPITAL	<p>Customers</p> <ul style="list-style-type: none"> • Achieved SLA of 97% (2021: 99.6%) for timeliness in providing resolution to complaints, and 97% (2021: 90.0%) in addressing requests • Net Promoter Score (NPS): <ul style="list-style-type: none"> - RHB MY Group: +12 (2021: +15) - RHB SG Group: +1 (2021: +9) • Ranked 3rd in NPS within the Malaysian financial industry <p>Suppliers</p> <ul style="list-style-type: none"> • Total spend on local suppliers: RM677.7 million <p>Communities</p> <ul style="list-style-type: none"> • Community members reached: 90,665 • More than 4,000 students from the B40 segment through RHB X-Cel Academic Excellence programme were supported from 2018 to 2021 • More than 30 RHB X-Cel Star scholars were supported from 2019 to 2021 	CO	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
NC NATURAL CAPITAL	<ul style="list-style-type: none"> • Reduction in GHG emissions by 42% (compared to base year 2016) • Total carbon emissions (Malaysian operations only): 25,271 tCO₂e (2021: 25,580 tCO₂e) 	SI, CO	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Performance by Capitals

In creating sustainable value, we make strategic trade-offs between our financial and non-financial capitals. The interconnectivity of the capitals makes trade-offs inevitable, especially when balancing short-term and long-term priorities. Therefore, we strive to strengthen each capital to better deliver sustainable value. This includes carefully designing inputs that can produce desired outcomes according to stakeholder expectations.

HC HUMAN CAPITAL

RHB employees' knowledge, skills, and experience that drive the Group's strategy and deliver long-term value.

Inputs

- 14,139 employees
- 2,631 total training sessions
- RM13.1 million invested in learning and development programmes
- Over 20 employee engagement initiatives
- 12,304 employees working the Agile Way
- 28 women leadership programmes conducted
- RM26,580 channelled to Staff Welfare Fund for Medical Assistance

Outputs/Outcomes

	2021	2022
Employee Retention Rate (%)	84.8	82.2
Employee Engagement Score (%)	90	91
Employees Received Training**	141,155	106,449
Number of Participants in Safety, Health & Wellness Programmes	7,648	1,711
Average Training Per Employee (manhours)**	48	20
Total Number of Accidents*	37	46
Occupational Disease*	4	7
Total Contribution of RHB Humanitarian Fund (RM)	239,000.71	4,325.00
Ranking for Employer of Choice	2	2
Diversity of Workforce	Male: 5,640 (40.2%) Female: 8,402 (59.8%)	Male: 5,739 (40.6%) Female: 8,400 (59.4%)

* The increase in health and safety incidents and occupational diseases recorded in 2022 is due to the majority of employees working from home prior to the transition to endemicity.

** The decrease in number of employees who received training and number of average training hours per employee in 2022 is due to the majority of employees working from home prior to the transition to endemicity.

Actions to Enhance Outcomes

- Conduct targeted training to build competency, ensure compliance, and upskill the workforce
- Accelerate hiring and role-based upskilling for digital transformation for the Group
- Design training programmes based on two streams: future skills development and role-based competencies
- Introduce a Hot Skills allowance to encourage upskilling
- Launch a holistic wellbeing programme focused on four aspects of wellbeing
- Offer flexible WFH option as a new employee benefit
- Comply to the Group Occupational Safety and Health ("OSH") Policy which outlines commitment and framework to manage OSH issues at RHB

Trade-Offs

Investments in employee training and development are a significant cost to Financial Capital, but the productivity gains from upskilling and digital transformation benefit Human Capital and Intellectual Capital. Similarly, investments in employee health and wellbeing create an engaged workforce that can maximise Financial Capital.

FC FINANCIAL CAPITAL

Funds available to the Group to sustain its operations and activities, and to invest in the growth of other key capitals.

Inputs

- RM28.7 billion shareholders' equity
- RM227.2 billion deposits from customers
- RM24,592 million market capitalisation
- Gross banking loans, advances and financing: RM212,200 billion

Outputs/Outcomes

	2021	2022
Total Income (RM million)	7,789	8,309
Profit Before Tax (RM million)	3,529	4,171
Net Profit (RM million)	2,618	2,708
ROE (%)	9.6	9.7
Dividend Payout Ratio (%)	62.9	62.5
CET-1 Ratio (%)	17.2	16.9
Total Capital Ratio (%)	19.8	19.3
Net Assets per Share (RM)	6.76	6.76
Total Asset Increase (%)	6.8	7.3

Actions to Enhance Outcomes

- Regular engagement with investors and stakeholders to manage their expectations of our financial decisions
- Adopt RHB Way towards enhancing service culture and encouraging customer loyalty

Trade-Offs

We reinvest Financial Capital into growing our business and nurturing other key capitals, while being prudent of our obligations to provide attractive financial returns to our shareholders and investors.

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Performance by Capitals



The fixed assets and digital infrastructure that facilitate the provision of products and services to our customers.

Inputs

- More than 700 physical touchpoints
- Replacement/upgrades of infrastructure for improved operational efficiency
- 314 offices and branches across the ASEAN region
- 1,672 self-service terminals in Malaysia which includes ATMs, Cash Deposit Machines, Cheque Deposit Machines, Cash Recycler Machines and Coin Deposit Machines

Outputs/Outcomes

	2021	2022
Average Number of Transactions Conducted at Counters in RHB Branches	30,110	31,761
Average Number of Transactions Conducted through Self-Service Terminals within RHB Branches	ATM – 68,782 CDM – 23,820	ATM – 62,220 CDM – 27,805
Average Number of Transactions Conducted through Self-Service Terminals (OPA)	ATM – 69,986 CDM – 9,960	ATM – 65,009 CDM – 9,661

Actions to Enhance Outcomes

- Establish a Branch Safety Committee that oversees the safety of each RHB branch pertaining to security of physical and digital transactions as well as the health and wellbeing of both customers and RHB employees
- Implement a Branch Programme as part of our Leadership and Management Programmes
- Conduct Mystery Shopping through an independent agency to ensure quality of branches
- Continue to digitalise the operations at branches for better accessibility
- Install solar panels at selected branches to improve energy efficiency

Trade-Offs

As we balance the cost of Manufactured Capital by streamlining physical touchpoints at our bank branches and Automatic Teller Machines ("ATMs"), additional investment is required to ensure our digital assets are truly customer-centric and seamless. This, in turn, enhances convenience and service accessibility, while allowing us to build our Social and Relationship Capital.



Our intangible assets such as brand reputation, organisational systems and proprietary innovations, in-house capabilities, and strategic partnerships.

Inputs

- RM200 million invested in IT/Technology over the last five years
- Members of 46 industry associations, and a member of 4 ESG-related committees/sub-committees
- Marketing cost grew 3.8% Y-o-Y
- Our online and mobile banking platforms:
 - RHB Online Banking
 - RHB Mobile Banking App
 - RHB Reflex Online Banking
 - RHB Reflex Mobile App
 - RHB SME Online Financing
 - RHB Financing (SME) Mobile App
 - RHB Online Insurance
 - RHB Insurance Mobile App
 - RHB Tradesmart Online Trading
 - RHB TradeSmart Mobile App
 - RHB Partners App
 - RHB MyHome App

Outputs/Outcomes

	2021	2022
Digital Channel Transaction Volume (mil)	499.2	500.5
New Licences/ventures Established	0	One digital bank license
Agile Adoption in the Workforce	11,500	12,304
Reflex Platform Users	133,927	149,503
Reflex Customer Increase (%)	10.0	12.0
Brand Value (USD mil)	824	965
MSCI ESG Rating	AA (Leader)	AA (Leader)
2021 S&P ESG Ratings	47/100	49/100
Profit Uplift through Product Digitisation for Customers (mil)	89.9	139
Personal Finance Sale via Digital Channel (%)	47	146
Productivity Improvement (%)	36	23
Number of Routine Minimum Viable Products ("MVPs")	186	188
Analytics Benefit through Analytics Use Cases (mil)	185	260
Mortgages Originating from RHB MyHome App (%)	55.8	50
Number of Customers on RHB's SME eSolutions Platform	13,801	19,474
Retail SME Loans Acquired via SME Online Financing (%)	56	62
Number of Active Internet/Mobile Banking Customers	2,258,393	2,457,668

Actions to Enhance Outcomes

- Collaborate with strategic players to leverage the fintech ecosystem
- Expand our digital banking platforms to deliver more inclusive and cost-effective financial solutions
- Collaborate with Axiata to jointly establish a Digital Bank
- Establish a dedicated 24/7 Monitoring and Detection Team to monitor and respond to heightened risk activity on digital banking platforms
- Invest in cyber security to continuously monitor fake platforms and phishing platforms
- Optimisation of fraud rules to strengthen/amplify fraud detection capabilities
- Provide education programmes to raise customer awareness on financial fraud
- Complete the adoption of our Agile@Scale programme to apply agile and design thinking in our work processes

Trade-Offs

Our efforts in building Intellectual Capital are focused on driving digital innovation, incurring changes to Human Capital and Manufactured Capital. This requires digital and IT skill sets and the right infrastructure to support digital processes. In the long run, the benefits of strengthening Intellectual Capital outweigh the changes undergone by other capitals to facilitate the process.

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Performance by Capitals



The relationships and goodwill between the Group and its stakeholders, including local communities and civil society.

Inputs

Customers

- RM500 million invested in customer experience (80% on systems/digitalisation and 20% on soft aspects of service)
- RM2,840.26 million distributed in social financing

Suppliers

- 667 registered suppliers (629 local suppliers)

Communities

- RM3,925,807 total contribution to community development initiatives
- More than RM12 billion in Sustainable Financial Services as at end 2022
- Invested more than RM2.1 million to RHB X-Cel Academic Excellence programme
- Invested more than RM650,000 to RHB X-Cel Star programme
- RM397,560 zakat granted under the Be Your Own Boss (BEST-BYOB) Programme

Outputs/Outcomes

	2021	2022
Customers		
NPS Score for RHB MY Group	+15	+12
NPS Score for RHB SG Group	+9	+1
Number of SME Customers	211,686	209,127
Total Customer Base (Retail and SME)	4,125,274	4,249,953
Resolved Complaints/Feedback within Service Level Agreement (%)	99.56	97.65
Complaints Resolution Satisfaction	61.9	82.6
Suppliers		
Spending on Local Suppliers (mil)	689.8	677.7
Communities		
Number of Beneficiaries Reached	30,992	90,665
RHB #Empower	NIL*	20 autistic participants
RHB Art with Heart	Not carried out in 2021	120 artists participated since 2016
RHB Touch Hearts	NIL**	Approximately 55,000 lives impacted
RHB Touch Hearts 360	1,648 families impacted	Approximately 13,000 beneficiaries benefitted
RHB #JomBiz	NIL***	141 B40 Micro entrepreneurs were upskilled
Number of Students Supported through RHB X-Cel Academic Excellence Programme	>4,000 B40 students	>4,000 B40 students
Number of Scholars Supported through RHB X-Cel Star Programme	30 scholars since 2019	More than 30 scholars

* Programme was launched in 2022

** Due to COVID-19 pandemic

*** Launched in 2022

Actions to Enhance Outcomes

- Continue assisting Retail and SME customers with cash flow difficulties through a targeted financing facility
- Promote financial inclusion by providing access to financial products and services to targeted individuals
- Allow payment deferment for insurance instalments, housing, or ASB loans to assist flood victims
- Offer working capital at preferential rates through a Disaster Relief Facility
- Prioritise local suppliers and offer development programmes for SME vendors
- Deliver a seamless banking experience where turnaround times and processes are clear and transparent

Trade-Offs

We invested in community initiatives and various payment assistance programmes, continuing to alleviate the burden of our individual and SME customers. These allocations impacted our Financial Capital in the short run, although the various financing facilities effectively reduced the risk of default. In the long run, however, these contributions strengthen our Social and Relationship Capital.



The natural resources used in our operations and the environmental impact of our business activities.

Inputs

- Total electricity consumption (Malaysia and Regional) in 2022 was 43,711 MWh^{1,2}
- Total water consumption: 126,222 m³
- RM7,772.65 million invested in eligible green activities since 2019

Outputs/Outcomes

	2020	2021*	2022
Total carbon emissions (tCO ₂ eq)	27,419	25,580 ³	27,091 ⁴ 25,271 (For Malaysia only)
Reduction in GHG emissions for Malaysia operations from 2016 baseline (%)	37	41	42

- Completed Phase 1 of the Group Climate Action Programme for climate risk management, ambition setting, and blueprint benchmarking
- Our Carbon Neutral Blueprint was developed in 2022 to achieve carbon neutrality by 2030

* Total carbon emissions in 2021 for Malaysia operations

¹ Electricity consumption data coverage:

- RHB MY: All main buildings and branches;
- RHB SG: All offices and branches except Bukit Timah and Tai Seng branch;
- RHB ID: Head office only;
- RHB & RHBS TH: All offices and branches;
- RHB Brunei: Head office; and
- RHB Laos: All offices and branches.

² Including estimated cooling consumption

³ Total carbon emissions in 2021 were only for Malaysia operations.

⁴ Total carbon emissions in 2022 were for Malaysia and Regional operations. Please note that regional data only partially complete.

Actions to Enhance Outcomes

- Launch the Group Climate Action Programme with the ultimate objective of assisting the Group to develop a pathway to net zero by 2050
- Establish the Sustainability Financing Programme ("SFP"), a green financing product bundling programme launched in September 2021 for SME and Retail customers to adopt sustainable practices
- Established the Carbon Neutrality blueprint to achieve Carbon Neutrality by 2030, with the aim to achieve 45% emission reduction by 2025

Trade-Offs

In our decision to manage our financed emissions as part of the overall strategy to achieve net zero by 2050, RHB will have to deploy Financial Capital to support the Group's aspiration for long-term sustainable value. In the long run, our Financial Capital will be enhanced by more robust ESG risk management in our decision-making processes. By taking an active stewardship role as a responsible and sustainable financial institution, we are also building our Social and Relationship Capital.

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As an integral part of value creation, we regularly engage with key stakeholder groups to obtain their suggestions and feedback as well as understand their concerns. We reach out to them through numerous engagement platforms and formulate actions to meet their expectations, resulting in shared value creation for both our stakeholders and our business.

ENGAGEMENT PLATFORM & FREQUENCY

CU

CUSTOMERS

WHY THEY MATTER

We elevate our Financial Capital and Social and Relationship Capital by providing products and services that improve the lives and livelihoods of our customers and by delivering customer service excellence.

One-on-one engagement (physical or virtual) by Senior Management, Relationship Managers, Branch Managers, Personal Bankers or Customer Service Officers	F6	F7
Online, digital and physical communication channels (email, letter or notices)	F7	
Customer networking events that include seminars, forums, customer high-tea or cocktails	F7	
Alternative customer engagement channels via customer surveys, focus groups and service design engagements	F5	F6
Channels for service resolution and customer advocacy and customer feedback via customer.service@rhbgroup.com customer.advocacy@rhbgroup.com	F7	
Physical touch points at Branches, Sales Centres and Service Clinics	F5	F6

EM

EMPLOYEES

WHY THEY MATTER

We create a safe, innovative and inclusive work environment for our employees. Additionally, we nurture, engage and build their skill sets to enable them to drive the Group's aspirations.

RHB's internal social media channel and Workplace by Meta	F7	
GMD Chat Sessions and quarterly town halls by Group Senior Management conducted across the region	F2	F7
Group Senior Leadership Forum and GMD Live Session	F2	F6
Formal and confidential grievance channel	F7	
Engagement sessions during festive seasons	F6	
Social, sports, and recreational activities, including annual dinners	F1	F7
Intranet (My1Portal, MyLink2HR, MyApp2HR) and email	F7	
Annual Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey ("ICES")	F1	
Industry and regulatory working groups, briefings, forums, conferences and consultation papers	F6	
Regulatory engagements on new products and services, or initiatives, policies, decisions or regulatory frameworks	F7	

SB

SUPPLIERS AND BUSINESS PARTNERS

WHY THEY MATTER

Our business partners and suppliers play a crucial role within our business ecosystem, contributing to our Manufactured and Intellectual Capitals through collaboration. By working together, we can jointly strengthen our Financial Capital.

Formal engagements to share service performance and expectations	F5	
Company visits to supplier premises	F5	
Formal and informal engagements during the procurement process	F4	
Online and digital communications (email, corporate website, social media)	F7	
Tender process and supplier feedback mechanism	F7	
Solution Co-Design Workshops	F3	
Certification and immersion programme with industry leaders	F6	

ENGAGEMENT FREQUENCY

- F1 Annually F2 Quarterly F3 Monthly F4 Weekly F5 Periodically F6 As and When Required F7 Ongoing

KEY CONCERNS

RESPONSE

- Expectations of usability and the seamlessness of the online customer journey
- Cybersecurity and financial fraud
- Turnaround time for loans and financing approvals
- Accessibility of multiple offline and online channels to offer feedback easily
- Products and services that meet the needs of the customers

- Enhanced digital platforms and processes for a seamless customer experience
- Clear and frequent communications on identifying fraud and protecting customer privacy
- Dedicated 24/7 monitoring to identify and remediate suspicious activity
- Appointment of a specialist at each touchpoint to drive first contact resolution
- Reinforcement of Customer Experience design principles to ensure a consistent customer journey across touchpoints

- Competitive remuneration and rewards structure
- Diverse and inclusive culture marked by equal opportunity
- The functionality and usability of Human Resource systems
- Access to financial assistance for victims of natural disasters
- Robust Employee Value Propositions

- Enhancement of benefits to include working from home (“WFH”) option, rewards and recognition programme, and refinement of Employee Wellness Programme
- Provision of broad-based and role-based upskilling opportunities to future-proof employees’ skillsets
- Rollout of Diversity, Equity, and Inclusion (“DEI”) training to raise awareness on creating inclusive processes within the Group
- Dedicated Mylink2HR platform for all HR-related matters and the launch of new MyApp2HR, the mobile version of MyLink2HR to increase accessibility for our employees
- Natural Disaster Fund, Staff Welfare Fund and Humanitarian Fund to help those affected by natural disasters/calamities

- User-friendliness of the e-procurement system
- Policies and guidelines that affect vendor criteria, including sustainable procurement practices
- Privacy and confidentiality of contracts and business arrangements

- Continuous refinement of the e-procurement system
- Guidance and knowledge-sharing sessions with suppliers
- Conducting training for vendors and suppliers such as Anti-Bribery & Corruption Awareness, as part of the support infrastructure provided for RHB’s network of suppliers
- Incorporation of confidentiality clauses in contracts and continued reassurance to suppliers

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COMMUNITIES

WHY THEY MATTER

We operate in communities based on goodwill and trust. By supporting community development and being a positive member of society, we can strengthen Social and Relationship Capital.

Interaction and collaboration with non-profit and non-governmental organisations, associations, social enterprises, and government agencies through RHB's community engagement initiatives	F7
Online communications (email, corporate website and social media)	F7
On-ground and virtual community engagement activities	F7
Innovative digital platforms and mobile banking services to promote financial accessibility	F7
Virtual and physical media sessions and press releases	F6



SHAREHOLDERS AND INVESTORS

WHY THEY MATTER

Our shareholders and investors provide continued financial capital for the Group's business operations. Hence, it is our responsibility to safeguard their interests and to create shared returns.

Annual and Extraordinary General Meetings	F1 F6
Quarterly and annual financial results announcements	F1 F2
Meetings and briefings with analysts and fund managers	F2 F6
Roadshows, conferences, and round table discussions	F6
Online communications (email, corporate website, social media)	F5 F6 F7
Periodic meetings/discussions	F5
Bursa Malaysia announcements	F6
Annual Reports/Integrated Reports	F1
Sustainability Reports	F1



REGULATORY AUTHORITIES AND POLICYMAKERS

WHY THEY MATTER

The regulatory authorities and policymakers set policies, guidelines and compliance guidelines for the financial sector. Frequent consultations support our Social and Relationship Capital, thereby enhancing our ability to deliver stakeholder value.

Regular updates and reporting to regulatory authorities	F7
Industry and regulatory working groups, briefings, forums, conferences and consultation papers	F6
Regulatory engagements on new products and services, or initiatives, policies, decisions or regulatory frameworks	F7



FINANCIAL INDUSTRY PEERS

WHY THEY MATTER

Industry associations and our peers collectively build a stable financial ecosystem through collaboration and healthy competition. Active participation and engagement with other financial institutions facilitate industry development.

Industry forums and events including working groups, roundtable discussions, and conferences	F6
Collaborations and partnerships where RHB is an active member in 46 industry associations across the ASEAN region and a member of four committees/sub committees that relate to Sustainability and Climate Change	F7

KEY CONCERNS	RESPONSE
<ul style="list-style-type: none"> • Lack of financial literacy among youths and rural segments, compounded by lower levels of education • Limited access to financial services and working capital for SMEs • Access to financial services and financial assistance during and after natural disasters 	<ul style="list-style-type: none"> • Implemented financial literacy programmes, educational programmes for B40 students, and capability-building programmes to upskill B40 micro-entrepreneurs in line with our aspiration to empower over two million targeted individuals and businesses across ASEAN by 2026 • Lowered barriers to capital for SMEs through digital solutions for efficient loans application and approval • Introduced the RHB Flood Relief Assistance Programme, Disaster Relief Facility, and Targeted Relief and Recovery Facility
<ul style="list-style-type: none"> • Revenue growth and future strategic thrust of the Group • Asset quality and risk management • Dividend policy and payout • Progress of the Group's sustainability journey and the financial impacts of ESG risks and opportunities • Corporate governance practices 	<ul style="list-style-type: none"> • Established the Board Sustainability Committee to enhance sustainability and climate-related governance • Enhanced the Group Sustainability Strategy and Roadmap • Completed Phase 1 of the Group Climate Action Programme ("GCAP") covering ambitions and blueprint setting • Declaration of 40 sen per share at 62.5% dividend payout for FY2022 • Regular engagement with analysts and media to provide updates on the Group's financial performance, asset quality and TWP24 corporate strategy • Committed to a Corruption Free Pledge during the Group's inaugural Integrity Week
<ul style="list-style-type: none"> • Compliance with regulatory requirements and legislation • Corporate governance standards and Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT") measures to safeguard corporate integrity • Risk management framework and internal controls • Management of Environmental, Social and Governance ("ESG") issues, including climate-related risks and the development of ESG products and services • Contributions to Value-Based Intermediation ("VBI") • Ethical business conduct in line with the BNM policy on Fair Treatment of Financial Consumers ("FTFC") 	<ul style="list-style-type: none"> • Corporate governance and compliance best practices to meet regulatory requirements • Continuous review of risk management practices and ensuring strong fundamentals • Enhancement of ESG Risk Assessment ("ERA") tool by incorporating the key guiding principles under the Climate Change and Principle-based Taxonomy ("CCPT") and ASEAN Taxonomy for underwriting process • Implementation of the ESG Eligible Business Activities Guidelines • Embarked on the Group Climate Action Programme Phase 2 which includes climate-related Governance, Strategy, Risk Management, and Disclosures over a 2-year journey • Support communities in need via various financing facilities and assistance programmes • Incorporation of FTFC guidelines into marketing materials and customer communications
<ul style="list-style-type: none"> • New and updated regulations regarding financial services ESG and climate-related management and reporting • Cybersecurity and fraud risk • Compliance with new and existing regulations 	<ul style="list-style-type: none"> • Organisation of the RHB ESG Thematic Conference, which involved participants across all sectors • Participation in industry working groups including the Joint Committee on Climate Change ("JC3") and Value-Based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") Sectoral Guide Working Group • Engagement with peers on changing regulations and risk management

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Value We Create

As a financial services provider, RHB has a significant responsibility to create value for our network of stakeholders. Our value proposition for each stakeholder group varies. Likewise, the value created is mutually beneficial for the Group. While evaluating the value created for each group, it is imperative that we also assess the risks and opportunities that can impact our ability to deliver value.

EM EMPLOYEES

Value Created for Employees

- Opportunities for professional development and learning
- Fair and inclusive work environment
- Robust employee value proposition supported by career development pathways and competitive remuneration and benefits

Value Created for RHB

- A skilled and competent workforce ready to meet the challenges of the evolving business landscape
- A diverse workforce that thrives on innovation and strong collaboration
- High employee retention rate and talent attraction

Risks

- Irrelevant skillsets and roles that are unable to adapt to digitalisation
- Poor talent attraction and retention due to disengaged employees

Opportunities

- Build an innovative and future-ready workforce
- Empower employees to embrace the benefits of digitalisation
- Strengthen employee engagement, attraction, and retention
- Improve employee satisfaction by nurturing a diverse and inclusive culture in safe and healthy working conditions

CU CUSTOMERS

Value Created for Customers

- Customer-centric products and services such as multi-currency account on RHB Live @ Reflex, RHB Investment Lab, and the goWave app for financial literacy
- A safe, reliable, and seamless digital banking experience
- Financial inclusion and accessible services for underserved segments
- Financial assistance for individual and SME customers affected by the pandemic and the floods

Value Created for RHB

- A loyal customer base that strengthens the Group's market share in key segments
- Higher rate of conversions facilitated by smoother customer journeys
- Access to new or untapped markets with high growth potential

Risks

- Default risk
- Data breach resulting in loss of customer trust
- Money laundering and fraudulent activities
- Risk of insolvency and poor financial judgement
- Pandemic and flash floods incur financial duress

Opportunities

- Access to untapped markets including the unbanked and rural segments
- Continued improvements to our digital channels and the customer journey
- ESG management of our portfolio and adoption of sustainable business practices among our SME customers

Business Initiatives

- Employee engagement programmes
- Leadership Signature Programme
- RHB Manager Programme
- Management Associate Programme
- Employee Wellness Programme
- Agile@Scale programme
- Retirement transition programmes
- Flexible working arrangement policy
- Workforce of the Future project
- DEI workshops and training
- RHB Humanitarian Fund

Value Creation Indicators

- Employee retention rate
- Employee Engagement Score
- Employee Net Promoter Score
- Health and safety incidents
- Ranking in Employer of Choice survey
- Spending on training and development
- Training hours delivered
- Diversity of employees

Capitals: **IC** **HC** **FC**

SDGs:  

Material Matters: **ET** **DO** **EW** **TM**

Business Initiatives

- RHB Tone of Voice
- RHB service talks
- Multiple digital banking platforms
- My First Home scheme
- SME Online Ecosystem
- Rewards & Recognition Programme
- RHB Way Achievers Club
- RHB Champions Club

Value Creation Indicators

- Annual customer survey
- Net Promoter Score
- Mystery shopping score
- Number of customer complaints
- Complaints resolution time
- Wait Time at branches
- Transaction/processing time
- Customer retention rate
- Lifetime value
- Number of available touchpoints
- Number of active users on digital platforms
- Products per customer
- Average app ratings
- Loan payouts to clients
- Investment performance in asset management

Capitals: **SRC** **FC**

SDGs: 

Material Matters: **FE** **CR** **FC** **DC** **DI**

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Value We Create

SB SUPPLIERS AND BUSINESS PARTNERS

Value Created for Suppliers and Business Partners

- Strategic business partnerships
- Contract opportunities
- Positive cash flow generation

Risks

- Lack of sustainability understanding within Procurement Supplier
- Vendor have bad and unethical practices like child labour pollution hazards and waste material that can have financial blow back and effect on the brand value
- Vendor refuse to comply with RHB's General Terms & Conditions which covers conflicts of interest, fraud and corruption, gifts, conduct of contractors' personnel, contractor responsibility and Anti-Money Laundering policies

Value Created for RHB

- Collaborative, synergistic alliances
- Exchange/sharing of knowledge and skills
- Competitive leverage in the business ecosystem
- Access to inputs to produce quality outputs

Opportunities

- Improved the sourcing centre through the adoption of the Agile way of working by continue to enhance processes and reduce costs through innovation and continuous improvement from listening to customers' feedback, in line with the team's transformation journey
- Collaboration between Group Procurement ("GP"), business stakeholders and external vendors to understand the precise requirements and review vendor costing
- Relationship building, good collaboration, and enhanced monitoring system to ensure prompt payment to vendors
- Synergistic platform that allows the team to contribute ideas, participate actively and celebrate success
- Innovation through contribution of ideas and strong sense of ownership with guidance from their Portfolio Lead and Agile Coach

CO COMMUNITIES

Value Created for Communities

- Contributions to community development projects
- Access to products and services
- Corporate citizenship and stewardship of sustainable development
- Support in the form of cash or in-kind donations or corporate sponsorships
- Increased engagement with underserved segments

Risks

- Lower connectivity and lack of access to financial services due to remote location
- Compromised financial planning due to low financial literacy
- Need for greater financial assistance for communities affected by poor infrastructure
- Financial needs in communities affected by poor infrastructure

Value Created for RHB

- Financially-savvy customers and general public
- Well-developed operating locations equipped with facilities and infrastructure
- Support from communities and stronger brand reputation
- Financial inclusion and literacy

Opportunities

- Improvement in customer acquisition from an educated customer base
- Acquiring financially-savvy customers and SMEs
- Resilience-building within the communities where we operate

SI SHAREHOLDERS AND INVESTORS

Value Created for Shareholders and Investors

- Attractive shareholder returns
- Investing options that are resilient against ESG risks and adaptable to opportunities

Risks

- Loss of investor confidence and/or low valuations
- Exposure to ESG risks through our banking portfolio
- Poor financial returns due to mismanagement of risks

Value Created for RHB

- Financial stability and investor support
- Higher liquidity and capital to facilitate business growth

Opportunities

- Build investor confidence with sound risk management strategies including the integration of ESG risks
- Attract investor interest with good governance and sustainable financial services

Business Initiatives

- Onboarding programmes
- Solution Co-Design workshops
- Engagement sessions
- Group Procurement Guideline

Value Creation Indicators

- Total number of suppliers
- Number of joint ventures/partnerships
- Number of local suppliers
- Total spending on suppliers
- Spending on local suppliers
- Number of engagement sessions and workshops

Capitals: | SDGs: | Material Matters:

Business Initiatives

- RHB Touch Hearts programme
- CERDIK programme
- RHB Art with Heart exhibition
- RHB X-Cel
- RHB Money Ma\$ter programme
- FinLit programme
- Financial literacy workshops
- Ocean Harmoni initiative
- RHB #JomBiz
- Mobile ATM service
- Marih Go Cashless in Bario Campaign

Value Creation Indicators

- Investment in community initiatives
- Number of beneficiaries reached
- Number of volunteers mobilised
- Number of community development projects

Capitals: | SDGs: | Material Matters:

Business Initiatives

- Establishment of the Board Sustainability Committee
- Completed Phase 1 of the Group Climate Action Programme (GCAP) covering ambitions setting and the blueprinting
- ESG Risk Assessment for ESG Sensitive Sectors

Value Creation Indicators

- Share price
- Dividend per share
- Total dividend paid to shareholders
- Price-to-book ratio
- S&P Global ESG Score
- MSCI ESG rating

Capitals: | SDGs: | Material Matters:

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RA REGULATORY AUTHORITIES AND POLICYMAKERS

Value Created for Regulatory Authorities and Policymakers

- A robust financial industry with the strength to support a thriving economy
- Support for national development agendas such as affordable homeownership, small and micro-entrepreneurship, and Malaysia’s Nationally Determined Contribution (“NDC”) as well as sustainable development aspirations
- Cohesive and coherent governance of climate and environmental risk management

Value Created for RHB

- Regulatory frameworks that guide the development of the financial services sector
- Strong institutional support that facilitates a dynamic operating landscape
- Progress towards being a sustainable financial institution aligned with regulatory ESG expectations

Risks

- Changing regulatory policies, frameworks, and compliance requirements
- Misconduct, corruption, and lack of transparency
- Financial losses from regulatory fines or sanctions due to non-compliance

Opportunities

- Build good relations and compliance record with authorities
- Strengthen Industry leadership and collaboration with regulators on industry development
- Contribute to the development of sustainable financing to support national commitments to SDGs and the climate

FI FINANCIAL INDUSTRY PEERS

Value Created for Financial Industry Peers

- Knowledge sharing and capacity building within the financial market ecosystem
- Collaborative partnerships
- Industry insights and market leadership

Value Created for RHB

- Nurturing expertise and skills growth among our people
- Healthy competition in the operating environment
- Financial market stability

Risks

- Anti-trust behaviour
- Strong competition for market share
- Financial sector resilience

Opportunities


- Create mutually beneficial peer relationships
- Leverage on shared expertise
- Channel financial flows to support national and international sustainable development

Business Initiatives

- Corporate governance policies, including Organisational Anti-Corruption Plan (“OACP”)
- Participation in industry initiatives such as Joint Committee on Climate Change (“JC3”) and Value-Based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Working Group
- Support communities in need via various financing facilities and assistance programmes
- Development of sustainable financing products and practices through our lending, capital markets, wealth management, deposits, investments, asset management, and insurance businesses
- RHB Environment, Social and Governance Thematic Conference 2022
- Embarked on Group Climate Action Program roadmap, which covering Governance, Strategy, Risk Management, Disclosures and Others over a 2-year journey
- Enhancement of ERA tool by incorporating the key guiding principles under the CCPT and ASEAN taxonomy for underwriting process

Value Creation Indicators

- CET1 ratio – Basel III
- LCR ratio – Basel III
- NSFR ratio – Basel III
- Incidents of non-compliance with regulations
- Taxes paid
- Salaries and payments to suppliers
- Total value of ESG AUM
- Number of ESG-linked products
- GHG emissions reductions

Capitals: 

SDGs: 


Material Matters: 

Business Initiatives

- RHB Environment, Social and Governance Thematic Conference 2022
- Participation in industry initiatives such as Joint Committee on Climate Change (“JC3”) and Value-Based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Working Group
- Group Anti-Bribery & Corruption Policy
- Group Whistleblowing Policy

Value Creation Indicators

- Number of peers engaged with through formalised platforms
- Number of joint ventures/partnerships
- Participation in industry events and/or working groups
- Publication of research/insights

Capitals: 

SDGs: 

Material Matters: 

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DR. SAILESH KUMAR JHA
Group Chief Economist

HIGHLIGHTS

Policy tightening due to **inflationary pressures impacted the cost of borrowing for our customers**. Coupled with rising interest rates against a background of slowing GDP growth, this challenged our ability to support our Retail, Corporate, and Commercial Banking customers.

The heightened level of **economic uncertainty created persistent volatility in financial markets**, dampening fee income prospects and the financial value we delivered to our shareholders.

The pervasiveness of the digital economy continues to connect pockets of activity and facilitate organic growth. This was an **opportunity for the Group to leverage digital transformation to deepen penetration into underserved segments**, serving as a catalyst for economic growth in non-urban areas.

ECONOMIC REVIEW

OVERVIEW

Globally, the US economy slowed. The opposite effect was seen in Southeast Asia as the region's economic activity picked up upon COVID-19 recovery, buoyed by the tailwinds from loose fiscal and monetary policy. Policy tightening measures gathered steam first in the developed markets, followed by Southeast Asia. The pronounced downturn towards the end of the year was mainly attributed to the US FED's interest rate hike, inducing worries about capital outflow and inflation in emerging markets.

Supported by solid economic fundamentals, **Malaysia's** economy registered a growth of 8.7% in 2022, as compared to 3.1% Y-o-Y in 2021. Following the reopening of the economy, exports flourished by double digits, buoyed by a resilient Electronics & Electrical ("E&E") sector and rising commodity prices. Various policy support and assistance subsidies bolstered consumer and household spending. Strong external and domestic demand provided some stability to the economic uncertainty, driven primarily by robust consumer spending and trade performance. The reopening of the economy did indeed, as predicted, allow room for recovery amid sustained improvement in labour market conditions. Rising inflation prompted Bank Negara Malaysia to raise the overnight policy rate by 100 basis points ("bps") to 2.75%. Notwithstanding the normalisation of monetary policy, Malaysia's policy stance remains accommodative of low real interest rates.

Singapore's expanded 3.6% in 2022, from an 8.9% growth handle in 2021 and a contraction of 3.9% in 2020. For 2023, we expect GDP growth at 3.0%, with the services sector likely to account for the lion's share of the recovery. However, high-frequency data till-date suggest that growth momentum will slow into 1H23, as Singapore's externally-facing industries are likely to soften in line with the slowdown in global economic conditions.

Encouragingly, Singapore still avoided a technical recession on the back of strong service sector growth in the third quarter of 2022, though the labour market remained tight. Monetary policy tightened for the fifth consecutive session since 2021 as policymakers prioritised stabilising consumer prices amid a high-inflation environment. Headline inflation was at 6.1% for the whole of 2022, against 2021's 2.3% handle, while core inflation remained elevated at 4.1% over the same period, as compared to 0.9% in 2021.



Malaysia's economy registered a full-year growth of 8.7%, compared to 3.1% in 2021 – the country's record high in two decades and one of the highest in ASEAN. **This growth rate is expected to moderate in 2023 to 5.0%.**



For 2023, we expect growth at 3.0%, with services likely to account for the lion's share of the recovery.



The economy expanded 1.6% in 2021 and 2.6% in 2022. In 2023, Thailand's **GDP growth is expected to recover further to 3.0%.**



Indonesia's economy expanded 5.3% in 2022. **In 2023, growth is expected to grow at 4.9%** on the back of robust private consumption patterns.



Cambodia's **GDP grew 5.1% in 2022**, driven by a recovery of manufacturing and agricultural commodities exports. Growth in 2023 is expected at around 6%.

Indonesia's economic activity picked up momentum in the fourth quarter of 2022, registering 5.01% Y-o-Y from October to December. The consumer confidence index rose to 120.30 points in October, up from 117.20 points the previous month. Nevertheless, the rupiah's position against the US dollar remained weak. For 2023, we expect GDP growth to slow to 4.9%, dragged by lower commodity prices, tighter monetary policy and an elevated inflation environment.

During the first pandemic year in 2020, Thailand's economy experienced its sharpest contraction since the 1997 Asian financial crisis. Comparatively, the economy expanded 1.6% in 2021 and 2.6% in 2022. For 2023, GDP growth is forecast at 3.0%, and will likely be supported by Thailand's services sector on the back of reopened borders and recovering domestic consumption. Not immune to global headwinds, Thailand's expansion slowed in the fourth quarter of the year, marked by a slowdown in exports, E&E manufacturing, and private consumption. Particularly pronounced were declines in principal manufacturing products and agro-industrial products. Furthermore, low energy prices negatively affected the export value of mineral products and fuels.

Cambodia's GDP grew 5.1% in 2022, driven by a recovery of manufacturing and agricultural commodities exports. The nation recorded an inflation rate of 7.8% Y-o-Y in June 2022 before easing back to 4.9% in August. The inflation hike was primarily caused by oil price shocks which then hiked up the price of fuel and fertiliser, further underscored by global inflation. As a result, private consumption was constrained by food and fuel prices and a surge in consumer price inflation. Exports dropped in the year's second half, down from a strong performance earlier in the year. However, exports of the garment, footwear, travel goods ("GTF"), bicycles, and agricultural products remained robust. Private debt remained at high levels, outgrowing nominal GDP and raising concerns regarding credit growth.

MARKET DYNAMICS

The recovering Malaysian economy led to improved lending and lower credit costs, supported by healthy liquidity positions. Nonetheless, credit costs remained above pre-pandemic levels, but banks kept a watchful eye on potential credit losses. Emerging from the pandemic, the share of loans under repayment assistance declined, and the ratio of impaired loans in the banking system stood at 1.8%.

Private debtors, challenged by rising inflation, may struggle to service their debts, leading to heightened credit risk in the medium term. Any asset quality deterioration will force larger provisions. Uncertainty in the global economy surrounding inflation and interest rates increased the risk of asset price adjustment in financial markets. Investment funds thus braced themselves for the capital risk of devaluation and credit losses. Financial markets experiencing liquidity risk could trigger negative market dynamics through the sale of assets, though the banking system maintained healthy liquidity positions in Malaysia.

Impaired loans will be an issue that needs to be addressed as relief measures eventually taper down in all our operating markets. Strong capitalisation and provisioning buffers put banks in a healthy position to weather through macroeconomic headwinds in the global economy. This is favourable to defend stakeholder value even as we prepare for a global slowdown. Bank ratings are expected to remain stable in the year ahead, supported by strong capital and liquidity buffers and loan loss provisioning. This bodes well for financial institutions' position as a financial intermediary to support customer and economic recovery, as well as withstand further shocks to the system. Overall, conditions in the Malaysian financial markets remained orderly despite the global market risk.

The growth of the digital economy has given rise to new market entrants with differentiated product and service offerings that represent competition risk to traditional banking players. Accelerated adoption of digital processes exposes banking systems and their customers to cyber vulnerabilities. This poses significant technology and cyber risk that threatens the financial system's integrity and may erode customers' trust.

Link to Risks



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STRATEGIC IMPLICATION & RESPONSE

We remain vigilant to downside risks by practising prudence in capital and liquidity management, maintaining healthy loan loss reserves, adjusting net working capital, and balance sheet management. Market factors in 2022 accelerated our efforts to increase digitalisation and workforce competency, which are key drivers of TWP24. Across our markets, we adapted to external influences by investing in Human Capital and technology to support our strategy.

Across all seven focus areas of TWP24, digitalisation is a key pivot in our strategic priorities. Instrumental for the successful delivery of our aspirations (Be Everyone's Primary Bank, Prioritise Customer Experience, and Drive Quality Growth), the Group's digital transformation is firmly embedded into our implementation drivers. In a post-Covid economy where uncertainties loom large, financial institutions leverage digital channels to accommodate a safer, more convenient way of banking while remaining relevant to new competition. At RHB, these market factors intensified the impetus for digital transformation, further hastening our efforts in this area. Enhancements to Manufactured Capital, notably the development and improvement of digital assets, were targets of our focus, as well as upskilling Human Capital.

In the developing markets where prospects closely reflect wider economic movements on a global scale, RHB's response to stabilising our core businesses is to build new engines of growth that can balance downside risks in each market. By building an integrated overseas business, we can leverage and counteract each market's strengths and exposure. We are capitalising on the Group International Business' growth potential to contribute to the Group's total income and PBT. PBT contribution at the end of 2022 increased to 10% from 3% in FY2021. As Singapore and Cambodia top our Commercial Banking performance, we remain watchful of market developments in these countries as we seek to defend this business. By deepening our penetration into identified segments within our overseas markets, we take a targeted and hyper-localised approach to respond to the challenges of a volatile economy.

Human Capital development is a core strategy for building capacity in our niche overseas markets. In Singapore, Indonesia, and Cambodia, targeted training and inculcation of the RHB Culture and an emphasis on compliance defined our strategy. This was supported by continuous technological investments to build a robust infrastructure through which we deliver value to our customers across our markets.

[Link to TWP24: Digitalisation, Customer Service, and Workforce as drivers of strategy](#)

Capitals Deployed:  

OUTLOOK

Following trends in the US, global growth is expected to slow to trend in 2023, characterised by a short and shallow recession in the US rather than a severe and prolonged downturn. Southeast Asia will reflect this slowing momentum, with many adopting a tightening policy stance. A gradual recovery is expected in the second half of 2023. Inflation in Southeast Asia will be milder than in developed economies, and core CPI inflation is forecasted to lose momentum. Investments will be driven by liquidity concerns and medium-term goals.

In **Malaysia**, GDP and headline CPI inflation are forecasted at 5.0% and 3.0%, respectively, in 2023. Fuel and food subsidies may change the direction of inflation. The government's expansionary budget is designed to bolster consumer spending. Our forecast of terminal OPR rate is 3.25% for 2023.

We expect the **Singapore** GDP to expand by 3.0% in 2023 on the back of a strong services sector. A healthy domestic and foreign consumption trend will likely fuel momentum, albeit still at a slower rate than in 2022. Declining semiconductor-related demand will hamper manufacturing growth. Inflation is forecasted to average 4.0% in 2023 following falling key commodity prices and import prices. At the same time, a tight labour market and higher wages may prevent inflation from dropping any further. The risk of the XBB variant continues to impose on the Singapore economy.

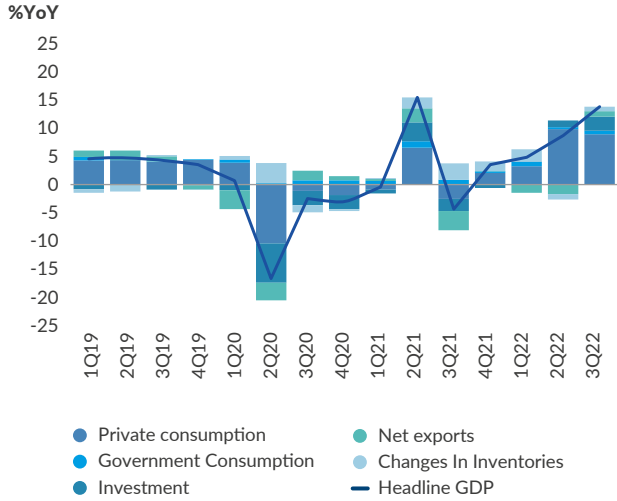
Thailand's GDP is also projected to slow to trend into the first half of 2023. We maintain our outlook of GDP growth at 3.0%, influenced by headwinds in the global economy and tighter monetary policies. Like Singapore, new variants of the COVID-19 virus loom in the background. The retail and hospitality sectors will enjoy growing momentum from increased tourism activity, which is a key driver of the Thailand economy. We maintain our inflation forecast for Thailand at 3.0% in 2023. As a net-energy importer, the country will experience rising consumer prices from the increase in global commodity prices. Inflation largely hinges on commodity price trends, further clouded by the ongoing conflict in Ukraine and China's economic slowdown. The Bank of Thailand is expected to hike its benchmark rate to 1.75% in 2023 on the back of high inflation, and hold stay pat in 2024. This is further supported by negative real inflation rates amid a softening currency.

Fuelled by **Cambodia's** strong export growth, tourism revival, and domestic consumption, the Kingdom's GDP growth is projected at 6.2% in 2023. Recovery is underpinned by election-year spending, rising employment rates, and an inflation rate that trends lower. Increased public spending due to ongoing pandemic recovery measures and developmental demands will widen the current account deficit, compromising Cambodia's external position. However, the fiscal deficit is expected to widen to 6.3% of GDP in 2023 and decrease after, while debt distress will remain low. The risks to the Khmer economy reflect uncertain external conditions and inflation trends and will largely depend on the Kingdom's ability to control the level of private debt.

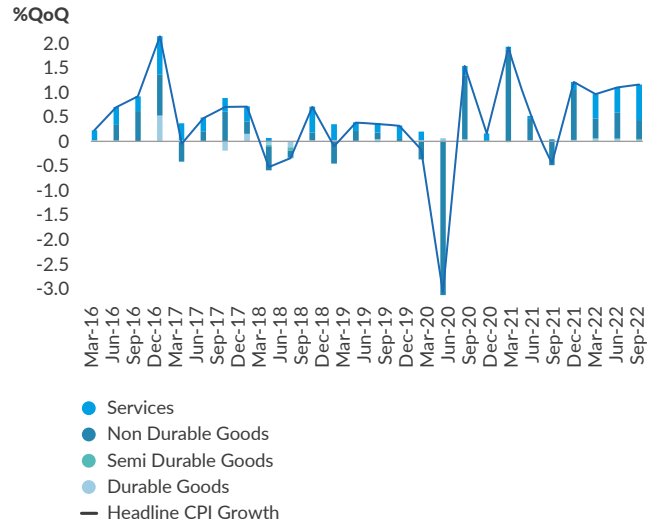


MALAYSIA

Contribution to GDP Growth (Demand Side)

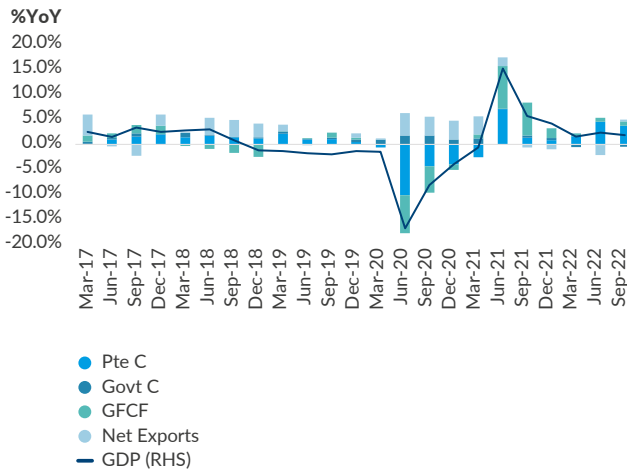


Contribution to %QoQ CPI growth

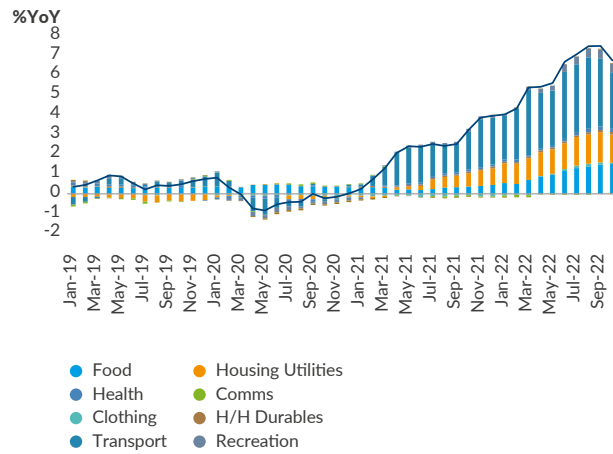


SINGAPORE

Contribution to GDP Growth



Contribution to %YoY CPI growth



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ALEXANDER CHIA
Head, Regional Equity Research, RHB Investment Bank

HIGHLIGHTS

RHB consistently maintained healthy capital buffers and provisioning to accommodate potential impacts on liquidity. Continued vigilance to market risks and movements ensured we could leverage our capitals to adapt to the volatility.

The Malaysian banking industry witnessed a meaningful decline in SME and household accounts under repayment assistance ("RA"). **Proactive classification for repeat RA borrowers pushed the sector gross impaired loan ratio to 1.72% from 1.68%.**

Lending to businesses rose 5.3% Y-o-Y, while household loans were up 5.7% Y-o-Y. **The banking system maintained strong Liquidity Coverage Ratio of 154%**, allowing banks to record Non Interest Margin expansion despite the attrition in CASA deposits and upward repricing of deposits following the OPR hike.

BANKING REVIEW & OUTLOOK

OVERVIEW

During the year under review, Malaysia's banking activity was partly buoyed by government stimulus spending to alleviate pandemic woes. The reopening of the economy and return to normalcy for most sectors underpinned the strong rebound in the domestic economy. However, numerous external headwinds in the global macro environment instilled a cautious sentiment among banks. Worries about capital outflows due to rising US interest rates, new COVID-19 strains and outbreaks in other parts of the world, and upward pressure on global commodity prices arising from the Russia-Ukraine conflict put a damper on economic growth.

After nearly two years of financial assistance to customers impacted by COVID-19, the Malaysian banking industry witnessed a meaningful decline in SME and household accounts under repayment assistance ("RA"). Despite improved visibility on asset quality, banks maintained a prudent stance with provisions. Taking proactive classification for repeat RA borrowers pushed the sector gross impaired loan ("GIL") ratio to 1.72% from 1.68%. This was within expectations and supported by provisions-to-total gross loans of 1.69% compared to an average of 1.36% from 2015-2019.

Lending to businesses rose 5.3% Y-o-Y, while household loans were up 5.7% Y-o-Y. The banking system maintained strong liquidity with Liquidity Coverage Ratio ("LCR") at 154%, allowing banks to record Non Interest Margin ("NIM") expansion despite the attrition in CASA deposits and upward repricing of deposits following the 100bps hike in the OPR. Improved net interest income mitigated weakness in net fees and commissions due to the bearish tilt in global equities.

MARKET DYNAMICS

Against a backdrop of upward inflationary trends and the subsequent policy tightening, banks were challenged with multiple risks in the macroeconomic environment. Interest rate increases and a softening GDP growth impacted lending operations. The expansion of NIM was moderated by rising cost of funds with the shift of CASA deposits to Fixed Deposits ("FD"). Continued volatility in the financial markets dampened fee income prospects, but domestic conditions remained orderly. Financial market stress levels were significantly lower than during the pandemic years, liquidity in the bond and foreign exchange markets were healthy, and financial institutions were fit to manage overall volatility.

Economic recovery moved slowly and unevenly in 2022, with specific sectors impacted by rising input costs and labour shortages. The pandemic's worst-hit sectors experienced strains on the profit margin and recovery was hampered. In anticipation of further macroeconomic and financial shocks, the banking sector is bracing for potentially higher impairments. These market risks continue to impact the financial value that we are able to deliver to our shareholders and investors.

The market saw a surge in online transaction volumes during the health crisis, accompanied by more incidents of banking scams and growing cybersecurity risks. This is matched by regulatory concern over banks' operational risks. Digital-related operational risks deteriorate customer experience and data privacy, thus affecting the value customers derive from our digital platforms and services.

Despite the challenging environment, but also because of it, financial institutions recognise the importance of sustainability more than ever. The banking sector is moving towards ESG integration and climate risk mitigation. An increasing number unveiled commitments to sustainable finance and net-zero targets. This bodes well for the bank's Sustainability and climate risk management into our risk management framework and increases stakeholder access to sustainability- and climate-related financing and services.

Link to Risks MR LR TCR IBR SR


STRATEGIC IMPLICATION & RESPONSE

We consistently maintained healthy capital buffers and provisioning to accommodate potential impacts on liquidity. Continued vigilance to market risks and movements ensured we could leverage our capitals to adapt to the volatility as needed. In this way, we were able to limit any damage to Financial Capital.

To address the threat of digital fraud and scams, we grew our Digital, IT and Analytics ("DIA") workforce mix to 7.7% of total employees (from 6.5% in December 2021). As part of wider workforce skills upgrade programmes, we scaled up optimisation initiatives in role-based and Group-wide training categories. Our focus on developing Human Capital was designed to meet the challenges of a digital-first banking system, such that we can provide a safe and secure banking experience to our customers. Investments were made to enhance our digital and IT infrastructure, both for remote working employees and our customers.

To ensure greater focus in the execution and implementation of the Group Sustainability Strategy and Roadmap, the Group had, in August 2022, strengthened its sustainability governance with the setting up of the Board Sustainability Committee ("BSC"). The BSC's primary role is to assist the Board of Directors in providing oversight and in ensuring the integration of Sustainability and climate-related considerations into the Group's long-term corporate strategy and decision-making process.

The Group's Sustainability Strategy and Roadmap, which cuts across three key pillars, namely Sustainable & Responsible Finance, Embedding Good Practices and Enriching & Empowering Communities, will guide the Group towards achieving its aspirations. These aspirations include to mobilise RM20 billion in sustainable financial services by 2026, empower more than two million targeted individuals and businesses across ASEAN by 2026, and achieve carbon-neutral operations by 2030 and Develop Pathway to Net Zero by 2050. These ambitious targets protect, preserve, and enhance our key capitals.

Link to TWP24: 

Capitals Deployed: FC HC NC IC MC

OUTLOOK

As regional GDP growth prospects slow into 2023, we expect demand for credit to moderate in tandem with a more cautious outlook. Loan growth will be lower but decent, while fee and commission income will likely remain subdued. Most developing markets, including the ASEAN central banks, will likely complete their policy rate hiking cycle in the first half of 2023. This, coupled with supply chain easing, will slow core CPI inflation. By the second half, the US dollar is expected to weaken against Asian currencies, moderating the volatility in many asset classes.

Malaysia's OPR is projected to fall between 3.0% and 3.5%, effectively increasing borrowing costs and reducing spending. Nevertheless, GILs should remain benign, although provisions could stay elevated as banks maintain prudence on asset quality.

Several new digital banks in Singapore have commenced operations while the winners of digital bank licenses in Malaysia will make headway with theirs in 2023. While these new digital banks address underserved segments, incumbent banks will be hard-pressed to ramp up digitalisation efforts in preparation for more competitive disruptions. The popularity of e-commerce requires continued innovation in the digital space to enhance customer proposition and remain relevant to the times.

In addition to digitalisation, the banking sector will continue to feel pressure to demonstrate effective management of ESG issues and climate-related risks and opportunities. In this regard, we expect to see more sustainable products and services introduced to the market, supported by further developments in green finance frameworks at the regulatory level as the market shifts to greater responsibility in the banking sector.

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MARKET TRENDS & APPROACHES

Trends Impacting Our Business	Impact on Our Strategy	How It Impacts Stakeholders
<p>Digital Acceleration</p>	<p>Adopting digital tools and technologies is a key driver underlying many of our strategic focus areas. Digitalisation empowers our workforce to become future-ready, serves our customers with hyper-personalised solutions, and builds seamlessly connected ecosystems.</p>	<p>EM Employees Rapidly changing digital landscape requires relevant and future-ready skills to enable employees to keep up. Digital collaboration tools such as video conferencing platforms facilitate remote working arrangements without compromising productivity.</p> <p>CU Customers Digital platforms offer a convenient banking option and seamless customer experience. Digitalisation has enabled greater financial inclusion, benefiting all customers including underserved communities.</p>
<p>Geopolitical and Economic Developments</p>	<p>A stable and open external environment supports our regional aspiration to build an integrated overseas business, as well as nurture domestic growth.</p>	<p>CU Customers A well-regulated financial market, supported by a stable political climate, facilitates healthy and thriving investment and economic activity.</p> <p>RA Regulatory Authorities and Policymakers Regulatory frameworks and policies to govern financial systems must be well developed to create a trusted market environment that serves the economy's needs.</p>
<p>Financial Market Volatility</p>	<p>Market volatility is expected to continue as macroeconomic headwinds as well as geopolitical and environmental concerns dominate the major economies. Market volatility can create a challenging operating environment with many uncertain risks that disrupt or delay strategic plans.</p>	<p>SI Shareholders and Investors Lower returns to investors resulting from the adverse impact of market volatility.</p> <p>SB Suppliers and Business Partners Tighter cash flows can create supply disruptions, impacting business continuity.</p> <p>CU Customers Consumer preferences are constantly evolving, bringing with them new ways of banking, such as increased demand for modernised digital banking services, interactive platforms and sustainable product.</p>

Key Risks & Opportunities	Our Approach
<p style="text-align: center;">Risks</p> <ul style="list-style-type: none"> Operational Risk Technology and Cyber Risk <p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> Penetrate underserved segments to improve financial inclusion Optimise work processes and automation gains Upskill workforce to evolve with the market Leverage on competitive synergies with new digital bank entrants 	<ul style="list-style-type: none"> Enhanced usage of data analytics to improve customer engagement, resulting in new loan acceptance. Empowered our salesforce with digital tools to help them achieve better sales results and productivity. Implemented a range of digital upskilling programmes across the Group, targeting an average knowledge gain of 80%. Enhanced ecosystems with API-driven connectivity to enable multi-product onboarding through digital partners. Improved the seamlessness and security of the customer experience on existing digital channels, particularly internet and mobile banking platforms as well as cashless payments and product applications.
<p style="text-align: center;">Risks</p> <ul style="list-style-type: none"> Credit Risk Market Risk Regulatory Non-Compliance Risk Shariah Non-Compliance Risk Interest Rate Risk in the Banking Book Corruption Risk <p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> Access to emerging markets with a high potential for penetration Contribute to national development agendas by working alongside regulators on compliance and industry initiatives 	<ul style="list-style-type: none"> Leveraged key expertise in the region through collaboration between local and regional experts to bring to market innovative products and services. Utilised a 'hub-and-spoke' model to bring the best product offerings to our regional customers, which also integrates our commercial and investment banking offerings. Strengthened senior management bench with a strong local and regional network.
<p style="text-align: center;">Risks</p> <ul style="list-style-type: none"> Market Risk Credit Risk Liquidity Risk <p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> New and emerging markets enabling new business streams More effective ways of operating or conducting business Identify strengths to nurture and restructure businesses to become more fit for the market 	<ul style="list-style-type: none"> Developed sectorial expertise in our workforce to offer hyper-personalised advisory services. Maintained diversified segments while deepening penetration into key segments. Built comprehensive solutions to close product gaps in end-to-end wealth propositions, including Islamic financing products and sustainable products.

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Operating Environment

Trends Impacting Our Business	Impact on Our Strategy	How It Impacts Stakeholders
<p>Shifting Ways of Work and Employee Expectations</p>	<p>From public health concerns to the new rules of the gig economy and greater organisation around Diversity-Equity-Inclusion (“DEI”) issues, the current employment model and working lifestyle may not satisfy a newer generation of employees who hold very different ideas of what work means to them. Talent attraction and retention rest on our ability to meet these new expectations.</p>	<p>EM Employees Remote working arrangements offer employees the flexibility to work from the comfort and convenience of their homes. Employees can benefit from the increased focus on well-being at RHB.</p> <p>CO Communities The way we work, play, and live is altered by greater demand for work-life balance and alignment with employees’ personal values, changing the way communities organise and structure their social and hard infrastructure.</p>
<p>Growing ESG Influence</p>	<p>Financial institutions are responsible for promoting a sustainable economy by integrating ESG considerations into financing decisions and financial services. This significantly changes the banking model and our strategic thrust to drive quality growth.</p> <p>At the same time, leading banks internationally are actively managing their own operational footprint while giving back to community development, in an effort to encapsulate responsible banking principles.</p>	<p>CO Communities Financial inclusion for underserved communities and financial support for projects that have a positive social impact.</p> <p>CU Customers More sustainable products and services are availed to customers, empowering them to make informed sustainable and responsible choices.</p> <p>SI Shareholders and Investors Options for sustainable investment that promise financial returns with lower sustainability-related risks and potential for impact creation.</p>
<p>Fintech Competition</p>	<p>Fintech competitors such as neobanks are disrupting the traditional banking model. Incumbent banks that fail to adapt to this new competition will be left behind by market forces and consumer preferences.</p>	<p>CU Customers Customers have access to faster and seamless transactions with user-friendly interfaces.</p> <p>FI Financial Industry Peers Partnerships may be leveraged to drive the adoption of fintech within traditional institutions to remain competitive.</p>

Key Risks & Opportunities	Our Approach
<p>Risks</p> <ul style="list-style-type: none"> Operational Risk Sustainability Risk <p>Opportunities</p> <ul style="list-style-type: none"> Attract and retain skilled talent by meeting their expectations Nurture an engaged and motivated workforce to successfully deliver corporate strategies 	<ul style="list-style-type: none"> Enhanced employee value proposition and employee experience through the institutionalisation of Work From Home as a permanent feature in RHB. Provided employees with the resources to care for their physical, mental, and financial well-being through a holistic wellness programme. Reviewed our compensation and benefits structure to remain competitive in talent attraction and retention. Offered regional career opportunities and mobility benefits to internal employees.
<p>Risks</p> <ul style="list-style-type: none"> Sustainability Risk Reputational Risk Regulatory Non-Compliance Risk Shariah Non-Compliance Risk <p>Opportunities</p> <ul style="list-style-type: none"> Improve risk management Attract ESG investors and shareholders Support regulations regarding the management of ESG issues 	<ul style="list-style-type: none"> Promoted Sustainable and Responsible Finance through financial inclusion and the introduction of ESG-friendly products across our business segments. Embedded Good Practices by fostering responsible ethics and conduct in the workplace and the supply chain. Enriched and Empowered Communities through meaningful community engagement initiatives. The introduction of Value Based Intermediation by regulators to address ESG concerns has since resulted in the issuance of several sectoral guides for financing activities. Being a member of the Association of Islamic Banks in Malaysia ("AIBIM"), RHB Islamic Bank has played a key role in the development and issuance of these sectoral guides. This includes currently chairing the Transport & Storage sector working group.
<p>Risks</p> <ul style="list-style-type: none"> Technology and Cyber Risk Management Operational Risk <p>Opportunities</p> <ul style="list-style-type: none"> Leverage fintech to elevate the customer experience Deploy AI and analytics to deliver personalised service Optimise operations and backend processes 	<ul style="list-style-type: none"> Employed Cutting-Edge Technology through in-house app development that enhances workforce productivity and customer experience. Continued our digital transformation journey using API connectivity. Obtained a Digital Bank License for the establishment of a digital bank in Malaysia, in a joint venture with Boost.

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Material Matters

Our Sustainability Strategy and Roadmap was developed and structured around our material matters. Materiality assessment enables us to identify the material matters that has significant impact to our business and our stakeholders. Our materiality assessment is integral to our journey of value creation as it enables us to manage sustainability and climate risks as well as opportunities aligned with our strategy, business model and stakeholders' expectations.

We conducted a thorough materiality assessment* in 2018 led by an independent third party where 17 material matters were identified. Since then the Group has, on an annual basis conducted an internal review of our material matters, updating our material matters through in-depth analysis and approach that provides insights into trends, business risks and opportunities that influence our ability to create sustainable value.

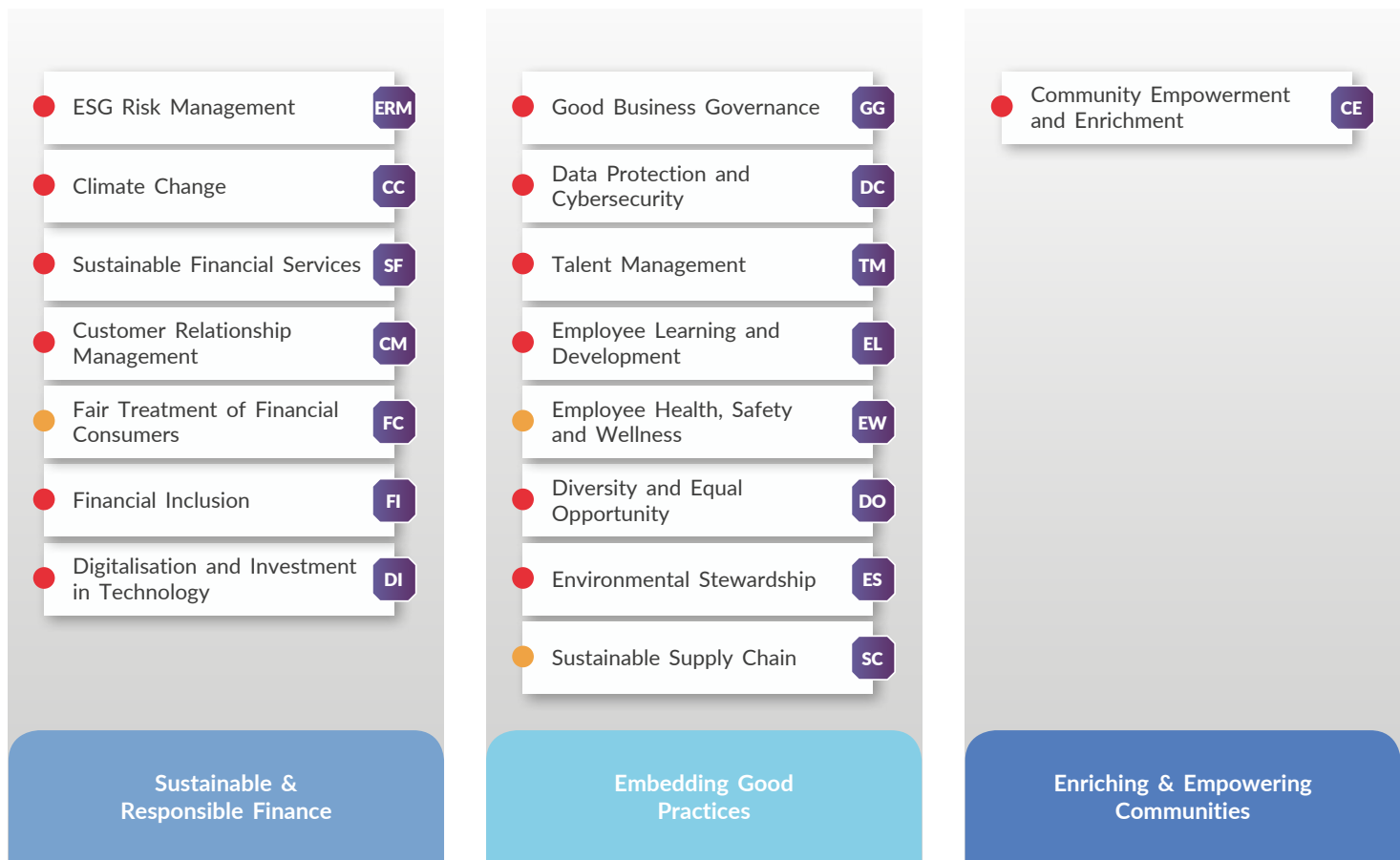
For this reporting cycle, we had conducted internal annual review and validation of our material matters by taking into account internal and external factors such as the following:

- The Group's TWP24 Strategy
- Internal and external stakeholders' concerns and expectations**
- The global, regional and local landscape
- Current and emerging regulatory directions, expectations and requirements
- Peer assessments
- External ESG ratings

Following the review and validation, we identified 16 material matters, where 13 have been identified as Prioritised and three as Considered based on level of priority to the Group and its stakeholders. The prioritised material matters are matters with the highest impact to our stakeholders and on our business. The prioritisation of the material matters is assessed based on the risks, opportunities and management approach associated for all material matters as disclosed in Section 7.0 CREATING VALUE BY...

* For more information on our 2018 materiality assessment, material matters and matrix, please refer to RHB Sustainability Report 2018.
 ** For more information on internal and external stakeholders' concerns and expectations, please refer to page 16 of Sustainability Report 2022.

We have also included Environmental Stewardship, Diversity, Equity & Inclusion and Community Empowerment and Enrichment as part of our prioritised material matters for FY2022, hence the inclusion of these matters within our Sustainability Strategy and Roadmap as well as the Group's Sustainability Aspirations.



● Prioritised ● Considered

Material Matters	What They Mean To Us	Sustainability Core Pillar
ERM ESG Risk Management	Having effective ESG and climate risk management is vital in driving sustainable growth and key to the proactive risk management of our operating environment. Management of ESG risks strengthens the resilience of our financing strategies, and a key in our decision making process.	SF
CC Climate Change	Supporting the transition to a low-carbon economy in line with national and global commitments. We approach this through managing our own operational footprint, supporting and nurturing customers and clients in the transition to a low-carbon economy and seizing opportunities for climate adaptation and mitigation.	SF EP
SF Sustainable Financial Services	Integrating ESG considerations into the Group's core business activities and decision-making processes, including identifying related risks and opportunities that will contribute to sustainable development and the transition to a low-carbon economy.	SF
CM Customer Relationship Management	Delivering service excellence to our customers in line with our Customer Service Charter and striving to gain the trust and confidence of our customers, enabling them to achieve their goals.	SF
FC Fair Treatment of Financial Consumers	Treating our customers fairly in the conduct of our business, as well as providing them with accurate, adequate and easily understood information on products and services.	DS
FI Financial Inclusion	Providing financial access and inclusion through various products and services, including promoting financial literacy to customers and the community, particularly to the youth and the underserved.	SF
DI Digitalisation and Investment in Technology	Delivering and creating value for our customers. We identify opportunities and mitigate risks by investing in technology and channel improvements and delivering innovative products and services, while encouraging digital adoption among customers.	SF
GG Good Business Governance	Upholding good business conduct that encompasses ethical business practices, regulatory compliance and active management of anti-bribery and corruption, fraud risk and anti-competition through strengthened policies and governance that will gain the trust of shareholders, customers and other stakeholders, leading to long-term value creation and sustainable business growth.	EP
DC Data Protection and Cybersecurity	Putting in place a robust digital infrastructure with stringent controls and governance measures to protect customers' data privacy while continuously enhancing our cybersecurity capabilities to ensure a safe and secure environment.	EP
TM Talent Management	Continuing to foster talent development while embedding sustainable practices in the management of our human capital. To ensure long-term growth for our business, we manage our diverse workforce by optimising talent management and employee engagement.	EP
EL Employee Learning and Development	Building a workforce that is future-proof, in order to stay relevant and agile while delivering the Group's strategic priorities. We do so by equipping our employees with the right set of development skills and tools to expand their professional growth and maximise their potential.	EP
EW Employee Health, Safety and Wellness	Ensuring the health and well-being of our employees is important to increase productivity and efficiency and to promote agility.	EP
DO Diversity and Equal Opportunity*	Building a diverse and inclusive workplace and culture with equal opportunity and inclusivity across gender, age, ethnicity, disability and nationality.	EP
ES Environmental Stewardship*	Advocating the responsible use of natural resources such as energy, water and paper and the minimisation of waste produced through sustainable practices. This includes encouraging eco-efficiency practices in our business and operations to minimise our own environmental impact.	EP
SC Sustainable Supply Chain	Ensuring that our procurement practices are responsible, ethical, fair and transparent, reflecting the Group's commitment to promoting sustainable practices across its supply chain.	EP
CE Community Empowerment and Enrichment*	Enriching and empowering local communities in which we operate, particularly the underprivileged and youth. This is driven by our community engagement initiatives and through the RHB Foundation.	EC

* New inclusion of prioritised material matters

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Key Risks and Mitigation

Risk management is a fundamental process at RHB in driving sustainable growth and enhancing shareholder value while maintaining the Group's competitive advantage. Proactive risk management is thus a central part of the Group's operating environment.

Despite a challenging macroeconomic environment, the Group was able to maintain strong performance and sound risk fundamentals. The risk to impacted segments may have increased, but necessary steps were taken to maintain stable operations. The Group continued to remain vigilant through portfolio reviews and stress-testing exercises to analyse potential impacts and identify appropriate risk management actions.

The Group's Risk Management Framework serves the following purposes:

Provides a holistic overview of the risk and control environment of the Group, aimed at loss minimisation and protection against losses that may occur otherwise.

Outlines the contribution of the risk management function to the value creation process, mainly through risk management sophistication and enhanced risk quantification to optimise risk-adjusted returns.

RHB's risk management framework is presented in further detail in the Statement on Risk Management and Internal Control on page 187 of this report.

CR CREDIT RISK

RISK EVALUATED

The risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group's lending/financing, trade finance, placement, underwriting, investment, hedging, and trading activities from both on- and off-balance sheet transactions.

Credit risk does not happen in isolation as certain risk events (e.g. fluctuations of interest rate and foreign exchange) may give rise to both market and credit risks.

IMPACT ON VALUE

Credit risk leads to impairment losses, thereby impacting financial return and capital.

MITIGATION MEASURES

- Implemented credit controls and parameters in the credit value chain, such as Risk Acceptance Criteria, exceptional credits/deviation approval capping, impositions of covenants and collateral requirements.
- Identified high-risk segments or accounts through various early warning tools for pre-emptive action or early close monitoring and, where necessary, implementation of account/portfolio strategy.
- Imposed credit risk appetites/limits and risk posture to ensure the credit risk undertaking is within the Bank's risk appetite.
- Assessed the potential impact of emerging risks in our portfolios via stress testing and thematic reviews.
- Adopted advanced analytics and machine learning to enhance credit risk measurement and expected credit loss.
- Integrated ESG considerations into the Group's risk management practices and decision-making processes.
- Enhanced the Group Credit Policy to include ESG-risk-related activities under Prohibited Credits.
- Developed ESG assessment tools in managing climate-related risks to assess existing and new client profiling and adopted Bank Negara Malaysia's ("BNM") Climate Change and Principle-Based Taxonomy.
- Engaged with clients and customers in advocating for the transition to clean energy and green activities, and nurturing the integration of ESG/sustainable practices into their respective businesses and operations.
- Conducted due diligence assessments at the asset level to manage properties that are susceptible and prone to flooding to manage physical climate risk.
- Aligned financing decisions with our no-deforestation, no-peat and no-exploitation ("NDPE") and no-coal policies to support responsible companies.

CR CREDIT RISK (CONT'D)

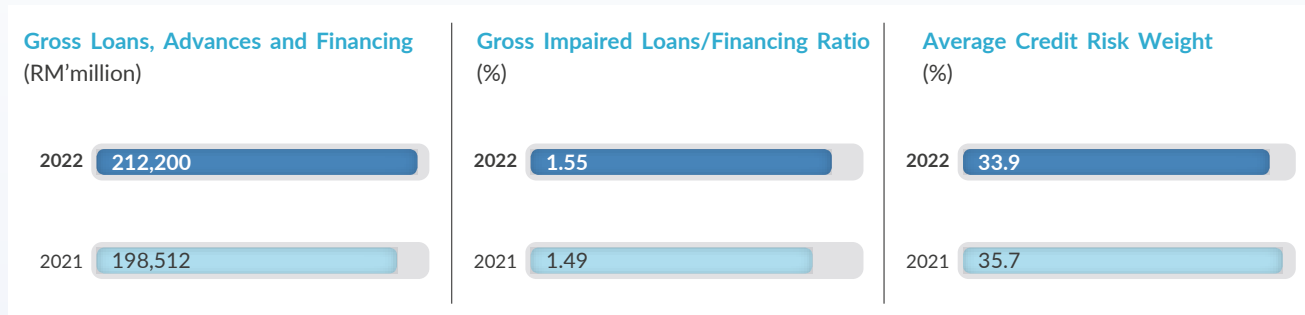
RISK MOVEMENTS

The risk of default on existing loan repayments is exacerbated by numerous economic headwinds, including the impact on commodity price instability due to the Russia-Ukraine conflict, the strengthening of the US dollar, rising inflation, and tightening monetary policies. These factors create cost-of-living pressures, which pose downside risks to borrowers' ability for repayment.

While market conditions improved during the transition to the endemic phase, some segments of borrowers still experience prolonged effects from the pandemic. As a financial intermediary, support was extended to our customers through ongoing loan restructuring and rescheduling moratoriums on a needs basis.

Overall, BNM's Financial Stability Review opines that credit risk will remain contained. At the same time, BNM announced that the share of household loans identified as higher credit risk (stage 2 loans) has declined to 7.9% as at December 2022 from 8.5% year-on-year. This trend will likely continue as borrowers under repayment assistance programmes exit and complete the observation period of loan servicing. The Group ensured sufficient buffer against this risk by maintaining prudent lending standards during the recovery.

Credit Risk 2022 Quantitative Highlights:



- The Group's gross loans, advances and financing grew by 6.9% Y-o-Y to RM212.2 billion, mainly contributed by the growth in mortgages, SME and Singapore. Domestic loans and financing grew 5.3% Y-o-Y.
- The Gross Impaired Loans/Financing Ratio (%) remained resilient Y-o-Y with slight deterioration at 1.55% (RM3.29 billion) as at 31 December 2022 but still remains below Industry ratio of 1.72% (as at Quarter 4 2022).
- Average credit risk weight showed an improvement Y-o-Y by 1.8% mainly due to increase in sovereign bond exposure coupled with growth in residential mortgage which have lower-than-average risk weight.

OUTLOOK

The Ministry of Finance ("MoF") and BNM maintain an optimistic outlook of credit risk, supported by:

- Malaysia's economy recorded an encouraging GDP performance of 8.7% for 2022 exceeding the estimate of 6.5% - 7.0% made in October 2022. The growth is supported by a strong economic performance in the 4Q2022 driven by the recovery of private spending and the strengthening of the Ringgit.
- Resilient trade performance at a total growth rate of 27.8% in 2022 Y-o-Y while trade surplus grew by 0.56% to RM255.1 billion.
- Improving labour market with a stable unemployment rate of 3.6% as at December 2022.
- Positive economic outlook based on above 100.0 points in the Leading Index.

Nevertheless, Malaysia's economic growth is expected to decelerate in 2023 as the world's larger economies experience a downturn. Hence, the Group adopts a cautious approach by continuously enhancing credit underwriting standards. We also regularly review the Group's credit risk policies to ensure they remain effective in identifying, measuring, monitoring, and controlling this risk.

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Key Risks and Mitigation

MR MARKET RISK

RISK EVALUATED

The risk of losses arising from adverse movements in market drivers, such as interest/profit rates, credit spreads, equity prices, currency exchange rates and commodity prices. Under this definition, market risk constitutes:

- The interest/profit rates and equity risks of financial instruments in the trading book.
- Foreign exchange risk and commodities risk in the trading and banking books.

IMPACT ON VALUE

Sudden or unexpected fluctuations in asset/portfolio value impact financial returns.

MITIGATION MEASURES

- Maintained sound and effective market risk governance structure and processes, independent of the Group's trading operations.
- Deployed risk policies and measurement methodologies through the established framework to identify potential risks due to market volatilities.
- Ramped up proactive risk management including periodic reviews and assessments of risk appetite with business units in response to adverse market conditions.
- Aligned risk mitigation measures with new business strategies adapted to the changing macroeconomic landscape.
- Closely monitored the changes in monetary policy and its effect on market factors.
- Increased engagement and risk reporting to the risk management committees at the Management and Board levels.
- Revised short-term business objectives and strategies in line with adjusted risk appetites and supported by stress scenario analysis.
- Monitored trading exposures to ensure risks remained within internal thresholds and detection of extreme events via a monitoring mechanism.

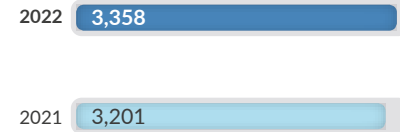
RISK MOVEMENTS

It was a challenging year for financial markets due to spillover effects from the Russia-Ukraine war and global inflation, leading to extensive interest rate hikes. The interest rate hike in the US, coupled with slowdowns in the US, EU, and China economies, triggered high inflation rates in Southeast Asia amid the weakening of the dollar. Central banks in other markets subsequently acted to normalise monetary policy, giving way to poor market liquidity and falling financial asset prices. With each monetary policy announcement, there was a significant increase in knee-jerk reactions by investors and markets, causing spikes in the fixed-income and equity markets.

The increase the Market Risk-Weighted Assets ("RWA") was contributed by higher holding of trading positions of bonds, equity and options held by the Group.

Market Risk 2022 Quantitative Highlights:

Market RWA (RM'million)



OUTLOOK

Uncertainties in the global economy will persist into 2023, creating conservative investment and business environments. Financial markets will continue to be influenced by the changing interest rate outlook. As a result, structural limits and internal controls will be periodically reviewed or restructured proactively to mitigate any risks arising from market volatility. The severity of market risks will depend on the market's response to tightening policy measures to curb inflation.

Capitals: 	Strategy: 	Stakeholders: 	Material Matters:
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LR LIQUIDITY RISK

RISK EVALUATED

The risk of failure to meet financial commitments and obligations when they are due and to transact reasonably. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

IMPACT ON VALUE

Liquidity risk that requires funding at higher costs or disposal of liquid assets at losses impacts financial profitability.

MITIGATION MEASURES

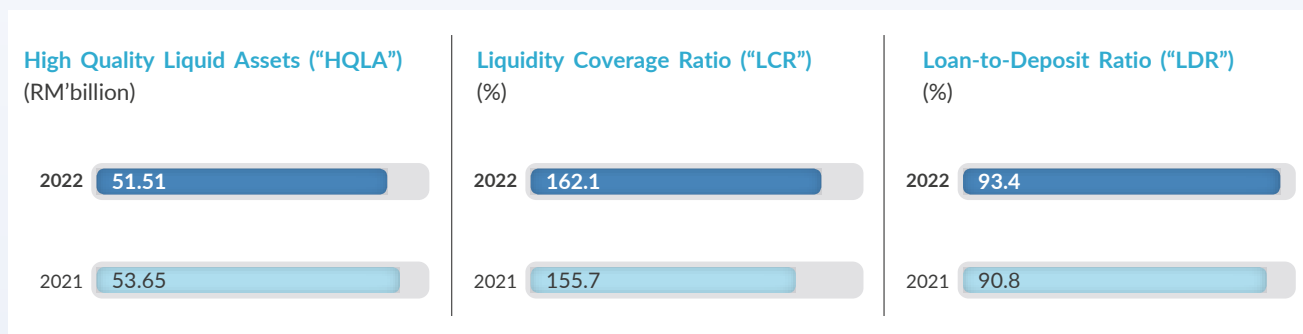
- Conducted stress tests to detect and identify any possible liquidity issues.
- Set thresholds for risk limits and Management Action Triggers (“MAT”).
- Simulated liquidity crisis exercise involving scenarios simulating large deposit withdrawals and liquidity crisis management.
- Implemented contingency funding and recovery plans in a liquidity crisis.

RISK MOVEMENTS

The interest rate hikes by the US Federal Reserve and Overnight Policy Rate (OPR) shifted depositor preferences to shorter-term deposits. This led to higher deposit outflow under the Liquidity Coverage Ratio (LCR) and shorter tenor deposits under the Net Stable Funding Ratio (“NSFR”). Higher debt levels, and the resulting indexation increased liquidity risk in 2022. Liquidity was overshadowed by a growing debt pile, complicated further by a reduction in quantitative easing programmes.

Notwithstanding these market developments, the Group’s liquidity maintained at healthy levels, raising no material concerns. The Group’s LCR and NSFR remained above 100%.

Liquidity Risk 2022 Quantitative Highlights:



- The year-end LCR increased due to lower Net Cash Outflow, driven by reduced deposits outflow.
- The increased LDR was mainly driven by increased loans growth due to improving market conditions post-pandemic.

OUTLOOK

The forthcoming expiry of the Statutory Reserve Requirement flexibilities on 31 December 2022 is not expected to affect the liquidity of the Group, given sufficient liquidity buffers in place. To ensure LCR and NSFR positions remain intact, we intend to grow Retail and SME deposits which are more stable and reduce the concentration to large corporate depositors. Liquidity in the Malaysian banking sector is expected to remain at healthy levels, ensuring financial intermediation continues to support the market.

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Key Risks and Mitigation

OR OPERATIONAL RISK

RISK EVALUATED

The risk of inadequate or failed internal processes, people, systems and/or external events that result in losses. It also includes IT, legal and Shariah non-compliance risks but excludes strategic and reputational risks.

IMPACT ON VALUE

Depending on the type of operational risk; lapses, errors, and disruptions in business operations may affect the resiliency of our service delivery which may result in operational losses, impact our brand reputation and shared values.

MITIGATION MEASURES

- Reviewed the robustness and relevance of internal controls and processes by all policy owners, e.g., Data & Information Management Policy, Whistleblowing Policy, AML/CFT Policy, Outsourcing Guidelines, and Crisis Management Guidelines.
- Conducted continuous awareness and training activities to improve risk management knowledge, risk culture, and practices amongst Group personnel.
- Adopted stringent change management assessment and governance to mitigate business and operational disruptions concerns.
- Embracing new technologies, robotics, artificial intelligence, and cloud computing in our work processes in addition to the new norm working conditions.
- Embarked on a transformation initiative to shift from business continuity to service and operational resilience.
- Maintained new norm practices and general public health measures for the safety of customers and employees, even during the endemic phase.
- Implemented WFH as a flexible work arrangement for employees, supported by comprehensive guidelines, including governance to oversee remote work.
- Improved analytics on operational risk incidents to drive focused risk mitigations and remedial actions.
- Escalation to Senior Management, Board, and regulators on any new fraud modus operandi, significant operational losses, internal fraud cases, or related matters that pose a significant reputational risk to the Group.

RISK MOVEMENTS

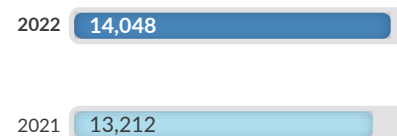
As the banking industry keeps in tandem with the momentum of digitalisation, cybersecurity risks are a real threat to our business and operations. Higher adoption rates of electronic banking are linked to increased fraud and scam cases. Notably in 2022, there was an increase in scam cases involving malicious applications downloaded via internet links. Increased data breaches and privacy violations in the banking industry were reported during the year, posing a threat of financial losses. The Group is cognisant of the elevated fraud risk profile and has been actively managing fraud risks, both internal and external. On the external front, we continue to be active in various industry task forces and working groups, including the pilot group supporting the National Scam Response Centre led by BNM and Polis Diraja Malaysia. Internally, the Group maintains a zero-tolerance stance towards internal fraud, taking serious disciplinary measures over integrity concerns. The Group views internal fraud as a serious threat to risk culture and our brand reputation. Therefore, nurturing the right culture and values ensures an environment whereby internal fraud and integrity issues are not tolerated. The Group further reaffirmed our integrity commitment through the Corruption Free Pledge during our Integrity Week programme.

People-related risks were elevated during the pandemic and continue to be monitored as the threat of public health risks persists. While Malaysia and neighbouring countries transitioned into the endemic phase following the effectiveness of public health programmes, the Group is aware of the risk of new variants. It continues to practice and adopt new norm standards for the health and safety of our employees and customers. Since offering a permanent WFH option to employees, appropriate cybersecurity buffers have been reinforced to protect a digital workforce and our IT assets.

The Group adopted the Basic Indicator Approach in computing Operational RWA. The increase in Operational RWA of 6.3% in 2022 was due to the increase in gross income.

Operational Risk 2022 Quantitative Highlights:

Operational RWA (RM'million)



OR OPERATIONAL RISK (CONT'D)

OUTLOOK

Project and Change Management concerns are top of mind as the Group pushes forward with our digitalisation agenda, the migration to the cloud and the associated revolution in work processes, and increased sustainability and climate management efforts.

People-related risks are moderating as we enter the endemic phase, but we remain watchful of public health risks. RHB employees have embraced the new norms while we review and refine work processes to ensure smooth transitions. Based on the lessons learnt from the pandemic, the Group is making efforts to comply with the heightened regulatory expectations on Operational Resilience and Recovery Planning.

In the year ahead, our focus will be to further enhance the risk culture programme at RHB to promote appreciation of risk management and risk ownership at the first line of defence. Digitalisation will be leveraged to optimise operations and conduct risk assessments.

The expected global economic slowdown in 2023 signals several Operational Risk concerns. Given this macroeconomic environment, we are watchful of the following risks in the coming year:

- 01** Execution errors under the pressures of business deliverables and cost management
- 02** Internal and external fraud attempts
- 03** Supply chain stress in a global economic crunch
- 04** Attraction and retention of skilled employees

Overall, the Group's strategy is to consistently execute our risk culture programme to foster a culture aligned with the Group's risk appetite. This will be supported by proactive management and ownership of risks as the first line of defence.

<p>Capitals:</p> <p>HC MC FC</p>	<p>Strategy:</p> <p>QG CX</p>	<p>Stakeholders:</p> <p>EM SB SI</p>	<p>Material Matters:</p> <p>RM FP GG DC BC</p>
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Key Risks and Mitigation

OR TECHNOLOGY AND CYBER RISK

RISK EVALUATED

Technology risks are associated with the use, ownership, operation, involvement, influence, and adoption of IT within the Group. Cyber risks are threats or vulnerabilities arising from the connectivity of internal infrastructure to external networks such as the internet.

IMPACT ON VALUE

Threats to our IT infrastructure impact our operations' integrity and our customers' privacy, hindering our ability to facilitate transactions in a safe and secure environment.

MITIGATION MEASURES

- Deployed digital-friendly cloud-based security infrastructure, supported by hiring practices for cloud security-related skillsets.
- Established proper governance for the management of cloud/digital deployment, including setting guidelines and policies to strengthen security controls.
- Surveyed third-party cybersecurity postures and subscriptions to threat intelligence services for improved visibility of the cyber threat landscape.
- Continuously monitored network activities for anomalies and security breaches.
- Regularly assessed and tested internet-facing application systems while resolving any weaknesses detected with attestation from external consultants.
- Monitored the centralised system health status and capacity utilisation for early detection and response to potential IT issues.

RISK MOVEMENTS

Digitalisation picked up momentum during the pandemic years to facilitate WFH, split operations, user mobility, and ease of access. Subsequently, cloud computing increased, and remote access to backend systems was further enabled. An increased focus on digital transformation initiatives was seen, along with dedicated management committees responsible for facilitating faster time-to-market and responsiveness to customer feedback. The popularity of cloud technology created opportunities for collaboration with partners. As the financial ecosystem moves in tandem with digitalisation initiatives, this exposes our digital business model to hackers and cybercriminals, heightening the risk of cyber-attacks. There was a rise in phishing emails detected during the year, although no losses were reported.

OUTLOOK

We expect technology and cyber risks to remain a permanent feature of a digitalised economy. These risks will evolve while new technologies are implemented and the digital transformation process continues. Security protocols will need to evolve along with this process to ensure that digitalisation does not compromise the integrity of our systems. There is a strong emphasis on cybersecurity controls at the regulatory and corporate levels. Opportunities for enhanced customer experience and banking interconnectedness can be tapped into while abiding by security parameters. The success of digital transformation drives depends on the ability to anticipate and mitigate technology and cyber risks. This requires continuous enhancement of the lines of defence, investing in cybersecurity protection and skillsets.



RNR REGULATORY NON-COMPLIANCE RISK

RISK EVALUATED

The risk of regulatory sanctions arising from non-compliances to laws, rules, standards, and regulatory requirements (including any ruling of the Shariah Advisory Council) relevant to a financial institution’s activities in all jurisdictions in which the financial institution or any of its branches or subsidiaries conducts its activities may result in the financial institution suffering financial loss or reputational damage.

IMPACT ON VALUE

Non-compliance results in regulatory penalties and reputational losses, impacting financial value and relevant operating licenses.

MITIGATION MEASURES


- To align with the roll-out of RACE initiatives, the AML competency model and role-based training was established, which was mapped across business divisions and the three lines of defence.
- The compliance ecosystem was enhanced through various projects such as enhancement and digitisation of processes via Project RACE, implementation of inaugural Anti-Money Laundering Risk Assessment (“AML-RA”) dashboard reporting, utilisation of data analytics, foreign exchange administration (“FEA”) system, FATCA/CRS reporting and compliance risk assessment (“CRA”).
- Overall review of policies, circulars and guidelines were conducted to ensure that the Group’s operational and business processes were updated, where required, to cater for the new normal while ensuring adherence to regulatory requirements.
- Intensified cyber risk assessments for the Group’s existing systems, including regular reviews of processes and controls to identify additional security needs.
- More focused AML and regulatory reviews to detect procedural gaps vis-à-vis regulatory requirements for the Group both locally and regionally.
- Continuously develop and improve compliance competency of current staff through sponsorship of professional accreditations and in-house compliance training and briefing sessions.

RISK MOVEMENTS

Aside from business and governance regulations, rules related to cybersecurity and ESG compliance risks are on the rise, driven by rapid digitalisation in the banking sector and sustainable financing. Regulatory authorities now require assessments of the technology infrastructure of critical systems due to heightened risks following the COVID-19 pandemic. Consequently, regulations on ESG are being enforced to facilitate responsible banking and financing. These factors alter the regulatory landscape in our operating locations and require strong governance cascading through the three lines of defence.

OUTLOOK

Group Compliance intends to maintain a robust compliance function through continuous innovation by supporting business objectives and effective compliance management. These initiatives include, amongst others, enhancing the compliance ecosystem and supporting business resilience through optimisation of the compliance governance structure by embedding ESG, data and advanced analytics, and digital initiatives. Group Compliance continues to focus on strengthening compliance risk management through all lines of defence and embedding compliance culture through continuous and relevant compliance training, workshops and forums to promote proactive and responsible AML/CFT practices, regulatory and Shariah compliance culture, and by cultivating compliance competency of front-line and Business Risk Compliance Officers’ (“BRCO”).

Please refer Group Compliance on page 174 for more information on Group Compliance. 

Capitals:



Strategy:



Stakeholders:



Material Matters:



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Key Risks and Mitigation

SNR SHARIAH NON-COMPLIANCE RISK

RISK EVALUATED

Regulatory sanctions, financial loss or non-financial implications, including reputational damage arising from the failure to comply with the rulings of the Shariah Advisory Council (“SAC”) of local regulatory bodies (such as the SAC of the BNM for Malaysia operations), standards on Shariah matters issued by the local regulator or decisions or advice of the Shariah committee/advisor appointed by the respective RHB entities.

IMPACT ON VALUE

Alters the Group’s reputation and public confidence in RHB to deliver quality Shariah-compliant financial services through its Islamic entities.

MITIGATION MEASURES

- Regularly conducted independent assessments of the quality and effectiveness of Shariah internal control and risk management systems and governance processes.
- Streamlined the Shariah Operational Risk Management (“Shariah ORM”) process with the Group’s Operational Risk Management (“ORM”) tools and methodologies.
- Enhanced Shariah Risk Profiling methodology to guide the risk measurement validation process on the Risk Control Self-Assessment (“RCSA”) results by the Business and Functional Units.

RISK MOVEMENTS

In 2022, 11 potential Shariah non-compliance events were detected through our stringent Shariah review and audit processes, of which one event was identified as actual Shariah non-compliance event and resolved accordingly. Like other regulations, Shariah-related regulations are constantly evolving with the market. Continuous monitoring and robust efforts in Shariah governance are underway to ensure non-compliance findings are addressed and recurrence is mitigated. As RHB’s Islamic entities seek to drive higher value for our Islamic customers, the risk of non-compliance may grow in tandem with the growth of this business.

OUTLOOK

We continue to work closely with the relevant stakeholders on strengthening management approaches. Our efforts include complying with policies and guidelines issued by regulatory authorities, such as the Shariah Risk Profiling Methodology and Shariah Non-Compliance Stress Scenarios. Investment in Human Capital and Manufactured Capital is needed to inculcate a Shariah-compliant culture in the Shariah ORM team and the Business and Functional Units. This is supported by the deployment of automated and robust Shariah-intelligent data analytics.



SR SUSTAINABILITY RISK

RISK EVALUATED

ESG risks arising from own operations as well as through customers, clients or investees operations. If left unmanaged, these risks may pose a negative impact to the Group's business and operations as well as reputational image.

IMPACT ON VALUE

Sustainability risks impair the assets and key capitals that we leverage to create financial value. Poor or low adoption of sustainable practices deteriorates the work culture, supply stability, natural ecosystems, and communities/human rights in which we operate.

MITIGATION MEASURES

- Incorporated sustainability risk-related policies and guidelines into the RHB Group Credit Policy and local country-level credit policies.
- Formulated the Group's stance on financing thermal coal and coal-fired power plant projects.
- Practised NDPE policy.
- Developed the ERA tool with an escalation mechanism in our operating markets to ensure implementation of the above.
- Conducted capacity-building programmes for the Group's senior leadership and mid-level management, particularly targeting relationship managers, frontliners, operations team, etc.
- Issued the Group's ESG Eligible Business Activities Guidelines as a classification system for green, social, and sustainable financing.
- Established the Board Sustainability Committee to enhance the oversight and governance of ESG matters.
- Embarked on Phase 2 of the Group Sustainability Strategy and Roadmap.
- Completed Phase 1 of the Group Climate Action Programme that set up ambitions and the blueprint that is benchmarked against industry leading practices and relevant regulatory requirements.
- Embarked on GCAP Phase 2 which covers all elements of Climate Framework including on Governance, Strategy, Risk Management, and Disclosure aligned with leading peer practices as well as Bank Negara Malaysia guidelines, towards developing the Group's pathway to net zero by 2050.
- Conducted Quarterly Risk analysis and ESS reporting to relevant Management & Board Committees and Bank Board.

RISK MOVEMENTS

ESG risks are gaining prominence as awareness around sustainability grows in the financial sector. Climate-related risks especially are of top concern to investors and analysts considering the physical and transition risks that disrupt business. This creates demand for stronger ESG- and climate-related disclosures. Businesses are beginning to declare net-zero ambitions and design pathways to reduce emissions towards a climate-resilient future. There is already a cross-sectoral paradigm shift to transition to a low-carbon economy. However, this shift is particularly noticeable in the financial sector due to its position as an intermediary of said transition.

Social risks such as forced labour are also coming to the fore, given public visibility around these issues in some of our operating markets. These emerging ESG risks force businesses to integrate non-financial considerations into their business model and risk management framework. Companies now must manage the ESG aspects in every part of their operations and supply chain; if not by the demands of business, then by new ESG regulations.

The Malaysian government is taking concrete steps to promote sustainability and the climate agenda by leveraging on sustainable financing, as seen in Budget 2023. Non-compliance with these new regulations will be a key governance risk, further complicated by the lack of sustainability expertise in financial services.



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SR SUSTAINABILITY RISK (CONT'D)

RISK MOVEMENTS (CONT'D)

Sustainability Risk 2022 Quantitative Highlights:



* No rating was done by MSCI ESG in 2021, but maintained AA score in 2019 and 2020.

Improvements in the Group's ESG performance ratings and scores reflect greater efforts in sustainability management. The ratings measure exposure to sustainability risks and opportunities and the management of those risks. Our consistent performance over the years demonstrates a stable risk management approach even as sustainability risks trend upwards.

OUTLOOK

Faced with a narrow timeframe to achieve sustainable development goals and limit warming to the level recommended by the Paris Agreement, sustainability and climate-related risks will continue to be a top priority for us. The Group's 5-Year Sustainability Strategy and Roadmap were conceived as a blueprint to achieve our sustainability aspirations, taking into account the Group's sustainability risks and opportunities as well as the evolving regulatory landscape. Plans are in the pipeline to minimise the financing of high negative impact activities while channelling funds to positive impact ones. This will be supported by ongoing capability building to enhance knowledge and skill sets of our people across all levels of the Group will future proof the organisation and increase our ability to achieve our sustainability and climate agenda and adapting existing frameworks, policies, and guidelines to manage ESG issues.

A key component of GCAP is to highlight the priority we are placing on Climate Risk management as a business transformation agenda. GCAP also aims to reassess and strategically position our future business, products and services from a sustainable perspective.

Initiatives under GCAP Phase 2, which are of varying effort and complexity, will be rolled out across the Group over a 2-year period. For more details on the Bank's sustainability efforts, please refer to the 2022 Sustainability Report.

SR Refer to page 36 in the Sustainability Report. 🔍

Material Matters:

DC GG RM CC SF DI DR CR FE FC TM ES EW CE DO ET SP

IBR INTEREST RATE RISK IN THE BANKING BOOK/ RATE OF RETURN RISK IN THE BANKING BOOK

RISK EVALUATED

The risk of losses in earnings and economic value of equity due to adverse movements in the interest rate/benchmark rate. The risk may arise from the mismatches in the timing of repricing of assets and liabilities from both on- and off-balance sheet positions in the banking book, changes in the slope and shape of the yield curve, basis risk, and optionality risk.

IMPACT ON VALUE

Interest rate risk in the banking book directly impacts profit margins and, therefore, the financial value of our books.

MITIGATION MEASURES

- Regularly monitored the risk based on established policies, strategies, and limits for the management of balance sheet risk exposure.
- Adhered to the Group risk appetite, Management Action Triggers, and escalation procedures to achieve a balance between profit and minimising the risk to earnings and capital from changes in interest rate/benchmark rate.
- Performed regular stress testing to determine the adequacy of capital to meet the impact of extreme interest/benchmark rate movements on the balance sheet.

RISK MOVEMENTS

During the year, the US Federal Reserve raised the interest rate by 3.00%. The hike triggered inflationary pressures on the global economy, prompting other countries to raise national interest rates. In the rising interest rate environment, banks are keeping a close watch on their balance sheet to avoid interest income/expense or impairment losses. After a decade of benchmark rates close to zero, the current interest rate environment poses challenges to companies as adjustments are made to cash flow.

OUTLOOK

We expect high-interest rates to persist in 2023. This will likely impact yield curves and, subsequently, the pricing of long-term debt, equity instruments, and enterprise values. How well banks respond to this environment will depend on the robustness of their hedging strategies.

The Group Asset and Liability Committee (“ALCO”) supports the Board Committees, which is in turn supported by Group Asset and Liability Management (“ALM”) within Group Risk Management. We strive to ensure this governance structure facilitates adequate risk management. As we advance, our response will be to maintain rigour in the early detection of potential extreme losses. We will proactively manage interest rate risk/rate of return risk in the banking book amid an environment of rapid financial market changes.

Capitals:



Strategy:



Stakeholders:



Material Matters:



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Key Risks and Mitigation

RR REPUTATIONAL RISK

RISK EVALUATED

Negative publicity regarding the conduct of the Group or of any of the entities within the Group or its business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures.

IMPACT ON VALUE

Reputational risk undermines public confidence in the Group, affecting share price and, therefore, financial value. Lack of public trust prevents RHB from serving more stakeholders.

MITIGATION MEASURES

- Emphasised good corporate governance and a culture of integrity across the Group.
- Maintained a very low-risk appetite with zero tolerance for incidents that affect the Group's reputation.
- Practiced sound risk management, including building "reputation capital" and earning the goodwill of key stakeholders.
- Maintained proper mechanisms to monitor and escalate any material lapses in regulatory adherence as well as matters that pose significant reputational risk concerns to the Group.
- Maintained proper channels of communication in dealing with internal and external stakeholders.

RISK MOVEMENTS

Reputational Risk is driven by other types of risks; hence its likelihood and impact fluctuate accordingly. The Group maintains a Reputational Risk Management Policy, which includes key elements such as a code of conduct, governance practices, risk management practices, policies, procedures, and training. The Policy recognises reputational risk as having a significant bearing on value creation.

OUTLOOK

As we monitor and manage other risks, we seek to communicate our efforts in a manner that inspires confidence in our risk management capabilities. In doing so, we effectively manage reputational risk. Over the years, RHB has built a reputation as a reliable community banking partner. While we seek to prevent and mediate inadvertent adverse reputational risks, we also actively strengthen this positive track record as a reliable community banking partner in the course of reputational risk management.

Capitals: 	Strategy: 	Stakeholders: 	Material Matters: 
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CR CORRUPTION RISK

RISK EVALUATED

Risk faced by the Group in the event RHB's directors, officers, employees, agents or other business partners are implicated in an act of bribery or corruption, whether directly or indirectly, with or without knowledge and consent/permission, to secure, retain or influence an improper business decision or advantage. These abhorrent acts are prohibited by the Group, as they violate the law, the code of ethics and its policy and procedures.

IMPACT ON VALUE

As a financial institution entrusted with public funds, acts of corruption can tarnish the Group's business relationships, public perception and cripple its reputation. The impact can be far reaching both financially and non-financially, including regulatory fines and legal penalties.

MITIGATION MEASURES

- Affirmed RHB Banking Group's 'zero-tolerance' stance against bribery and corruption via the signing of 'Corruption Free Pledge' or *Ikrar Bebas Rasuah* during the Group's Integrity Week held from 14 - 17 November 2022.
- Launched RHB Banking Group's inaugural Organisational Anti-Corruption Plan ("OACP") 2022 - 2026 to address gaps identified concerning bribery and corruption.
- Incorporated anti-bribery and corruption clauses in the terms and conditions of agreements/contracts entered into by the Group.
- Established whistleblowing channels to enable safe and anonymous reporting of issues related to employee misconduct without the threat of repercussions.
- Reviewed the Group's existing policies and procedures, including the Group Code of Ethics & Conduct, Group Anti-Bribery & Corruption Policy, Group Whistleblowing Policy and Group Gifts & Hospitality Guidelines.

RISK MOVEMENTS

The introduction of Section 17A of the Malaysian Anti-Corruption Commission Act put forward the element of Corporate Liability, which holds corporations liable for acts of corruption carried out by their associated persons. This has attracted more attention from regulators and enforcement agencies to ensure corporations incorporate adequate procedures to ensure their business operations and transactions are done in a clean, transparent, and corruption-free environment. The government also developed the National Anti-Corruption Plan ("NACP") 2019-2023, which highlights measures to strengthen governance across government and government-linked companies. Under the NACP, corporations must submit their plans for preventing and eliminating corruption, a mandate shaping a culture of clean conduct.

OUTLOOK

The Group will continue to invest resources to ensure RHB Banking Group will remain a corruption-free organisation. The OACP will serve as an essential guide to ensure vigilance in order to deter any wrongdoing with the support of appropriate mechanisms to detect, address, and remediate acts and threats of bribery and corruption.

<p>Capitals:</p>	<p>Strategy:</p>	<p>Stakeholders:</p>	<p>Material Matters:</p>
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Strategic Performance Review

CLOSING FIT22 ON A HIGH NOTE

Through FIT22 strategy (2018-2021), the Group achieved sustained growth and delivered value to our stakeholders, exceeding many of our targets and expectations. We harnessed the opportunities within the business segments as well as the innovations made possible by the Agile way of working. The FIT22 journey was not always smooth, particularly in its final two years when the unexpected COVID-19 pandemic threw the economy and the operating environment into disarray. Balancing our key capitals, we navigated our growth journey with a flexible and adaptable approach. FIT22 proved its resilience and robustness in responding to anticipated and unforeseen challenges.

Furthermore, the digital transformation drive we embarked on to unleash the potential of the FIT22 strategy has fundamentally transformed the way we do business.

In its final year of execution, FIT22 led us to achieve significant improvements in financial performance. Profit Before Tax (“PBT”) grew by 8.4% per annum, to RM3,529 million in 2021 from RM 2,558 million in 2017. Meanwhile, the Cost-to-Income Ratio (“CIR”) reduced to 45.2% from 49.9%.

The successful implementation of the FIT22 strategy resulted in a strong growth momentum and built the right foundations to take the Group’s segment-led strategy to the next phase of growth.

OUR NEW 3-YEAR STRATEGY – TOGETHER WE PROGRESS 2024

In light of the fast-changing business landscape and competitive environment, and to accelerate opportunities for sustainable growth, we have since embarked on our new three-year strategy in 2022. We call it ‘Together We Progress 2024’ or in short, “TWP24”. This will take place over the course of three years through to 2024, taking into consideration an assessment of market developments and the banking industry’s projected trends.

Guided by our Purpose Statement of ‘Making Progress Happen for Everyone’, we held engagement sessions and workshops with our internal and external stakeholders to ensure we continue to deliver value to our customers, colleagues, and the communities in which we operate.

With TWP24, we aim to drive the Group towards quality growth by building on our segment-led approach and attaining industry-leading asset quality, cost efficiency, and returns. A deeper emphasis on sustainability, technology, and innovation is core to our strategy; these are areas we will double down on during execution.

TWP24 is centred around three objectives, anchored against seven focus areas with the intention to always create enhanced value for our stakeholders. It will drive the Group to become a leader in Service Excellence, in line with our new Purpose Statement.

TWP24 will be delivered through our five key business groups focusing on segment-led propositions with enhanced ecosystems to create deeper relationships with our customers. Across the Group, we continue to innovate and build our Digital and Analytics capabilities to deliver customer value and seamless customer experiences.

We aim to champion sustainable financing by enhancing the integration of ESG considerations into our decision-making processes across our businesses. These efforts will enable inclusive growth whilst upholding good governance, propelling the Group to be a trusted partner to our customers, employees, shareholders and investors, the regulatory authorities and policymakers, suppliers and business partners, our financial industry peers, and communities.



... anchored against 7 focus areas

Purpose

Making Progress Happen For Everyone

Strategic Objectives

Be Everyone's Primary Bank

Prioritise Customer Experience

Drive Quality Growth

Focus Areas

Be the Primary Financial Services Provider

Integrate into Key Islamic Ecosystems

Build an Integrated Overseas Business

Catalyse Sustainability

Employ Cutting Edge Technology

Develop a Future-ready Workforce

Accelerate Intelligent Banking Services

Value Created for Our Stakeholders

Customers

- Partner our customers for success

Communities

- Uplift and empower communities

Regulators

- Active and continuous engagement with regulators

Colleagues

- Grow our colleagues personally and professionally

Investors

- Deliver attractive and sustainable returns

... delivered through key business priorities

Group Community Banking

- Mass Affluent: Create winning propositions
- Wealth: Become an end-to-end wealth provider
- SME: Build sectorial expertise and expand ecosystems

Group Wholesale Banking

- Enhance client relationship model in all markets
- Transform digital channels to serve all banking and investment needs
- Champion ESG initiatives across the group

Group Shariah Business

- Expand Islamic ecosystems
- Build a holistic Islamic Wealth Management business
- Increase Islamic share of Group Financing

Group International Business

- Focus on strengths within each market
- Leverage synergies and learnings across all markets
- Digitalise to support growth aspirations

Group Insurance

- Deepen banca via innovative products
- Double down on digital capabilities and acquisition
- Widen distribution networks

11.5%
Return on Equity (2024)

Enabled by the Group's robust support functions

≤ 44.5%
Cost-to-Income Ratio (2024)

We will strive towards meeting our TWP24 targets

TWP24

Strategic Targets

11.5%
Return on Equity (2024)

≤ 44.5%
Cost-to-Income Ratio (2024)

Top-3
Net Promoter Score (NPS) among banks in Malaysia

Digital & IT Targets

≥ 65%
Systems Modernised by 2024

≥ 50%
Processes Automated by 2024

Sustainability Targets¹

RM20 billion
Sustainable Finance by 2026

2 million
People Empowered Across ASEAN by 2026

Carbon Neutral
By 2030

Note:

¹ Sustainability targets are based on RHB's 5-Year (2022-2026) Sustainability Strategy & Roadmap

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Strategic Scorecard

In the first year of execution, TWP24 catalysed positive progress across its three strategic pillars. RHB Banking Group is confident that the short-term outlook of the strategy provides the robust dimension needed to accelerate growth in the current operating climate, while remaining committed to long-term value creation.

Strategic Pillars	What We Did	Value Created in 2022	Outlook
<p>Be Everyone's Primary Bank</p>	<p>Built deeper relationships with our target customers in the Affluent, Mass Affluent, SME, Large-Cap and Mid-Cap segments</p> <p>Capitals Deployed:</p> <p>FC MC IC HC SRC</p>	<ul style="list-style-type: none"> Strengthened shareholder returns by growing our SME and Retail loans by 7.9% and 7.2% respectively Grew mortgage loans by 10.0% through innovative solutions such as the buy-back scheme with IJM Land and API connectivity with Eco World Development Group Berhad Gained an increase of 12.0% in Reflex customers and 10.0% in Reflex CASA 	<ul style="list-style-type: none"> Develop sectorial expertise to support a hyper-personalised approach to service delivery Deepen our relationships with the customer base in our niche segments Continue to improve the SME Ecosystem Invest in digitalisation to grow our online SME financing portfolio and the Wealth segment
<p>Prioritise Customer Experience</p>	<p>Delivered market-leading and differentiated service and propositions by bringing together innovative digital experiences that help customers manage their financial needs</p> <p>Capitals Deployed:</p> <p>HC FC MC IC SRC</p>	<ul style="list-style-type: none"> Established strong digital channel penetration with approximately 50% of online mortgage origination from the MyHome app and RM1 billion in SME Online Financing Enhanced customer experience by refreshing our internet banking portal and launching a new investment platform, MyInvest 	<ul style="list-style-type: none"> Invest in building our capabilities to enhance the customer experience through a digital-first approach Accelerate the growth of the Islamic financial ecosystem by working closely with the government and public agencies
<p>Drive Quality Growth</p>	<p>Concentrated on domestic and international growth where we have identified our strengths in niche segments, while committing to growth that is profitable and sustainable</p> <p>Capitals Deployed:</p> <p>FC IC NC SRC MC</p>	<ul style="list-style-type: none"> Mobilised more than 12 billion in Sustainable Financial Services, exceeding our year-to-date target by more than 60% Achieved 9.2% growth in Islamic financing and 44.6% of Islamic share in domestic financing Drove loans growth in our overseas markets by 18.7% and 17.9% in Singapore and Cambodia 	<ul style="list-style-type: none"> Build an integrated overseas business by delivering localised strategies across our six foreign markets, growing our existing strongholds while exploring opportunities for ESG financing Mobilise RM20 billion in sustainable financial services by 2026 Empower more than two million targeted individuals and businesses across ASEAN by 2026 Achieve carbon neutrality by 2030 and develop a pathway to net zero



FY2022 Achievements

Return on Equity (ROE)

9.7%

Cost-to-Income Ratio (CIR)

44.7%

NPS

Top 3
amongst Malaysian Financial Institutions

Key Performance Indicators

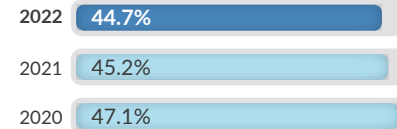
FINANCIAL METRICS

Cost-to-Income Ratio ("CIR")

Why It's Important

CIR explains how we balance the relationship between cost expenditures and strategic reinvestment into the business. Lower CIR allows more wiggle room for reinvestment and reflects our potential to pursue expansion.

Results

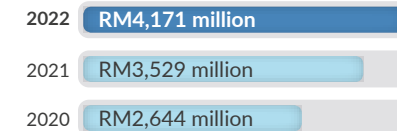


Profit Before Tax ("PBT")

Why It's Important

PBT represents our profits, exclusive of taxes paid. It reflects the strength of the performance of our business in dollar value.

Results

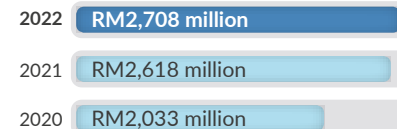


Net Profit

Why It's Important

Net Profit reflects a company's profitability and ability to provide attractive returns.

Results

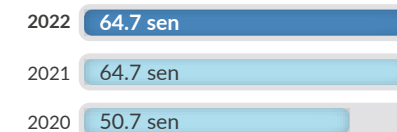


Earnings Per Share ("EPS")

Why It's Important

EPS indicates our performance stability and financial standing, which provides a gauge for investment decisions.

Results

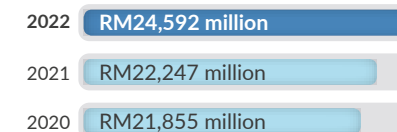


Market Capitalisation

Why It's Important

Market cap is an indicator of our size in the market compared to our peers, as well as our value, which is reflected in stock performance.

Results

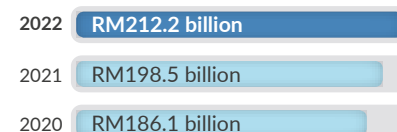


Gross Loans

Why It's Important

Loans growth is a source of increased revenue for RHB, while also a stimulus for economic activity. SME loans, in particular, lie at the core of our business strategy and sustainability aspirations, as they help SMEs to overcome the challenges of access to capital.

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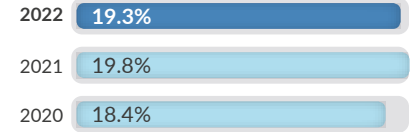
Key Performance Indicators

Total Capital Ratio

Why It's Important

Specific to banks, this is a measure of our resilience against risks, especially credit risk, liquidity risk, and operational risk.

Results

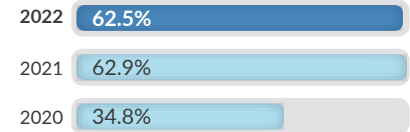


Dividend Payout Ratio

Why It's Important

The dividend payout ratio matters to our shareholders and investors as it shows how we balance profit sharing and how much it is reinvested into the business.

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Return on Equity ("ROE")

Why It's Important

ROE is a common indicator to measure the profitability of RHB and factors heavily in our investment decision-making.

Results



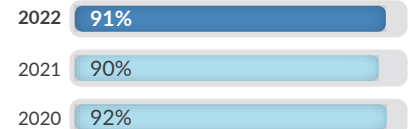
NON-FINANCIAL METRICS

Employee Engagement Score ("EES")

Why It's Important

Our annual EES is a key tool for gathering employee feedback and measuring engagement levels. It enables us to identify areas for improvement to better support our employees' needs.

Results



Sustainable Financial Services

Why It's Important

As a financial institution, we aim to create positive impacts through our lending, capital markets and advisory, wealth management, investment and insurance businesses. Sustainable financial services improves risk management and capitalises on ESG opportunities.

Results

As at 31 December 2022

Sustainable Financial Services
RM12,546.26
million

Green Financing Commitment
for Non-Retail (excluding SME)
RM7,772.65
million

Sustainability Financing Programme
("SFP") for Retail and SME
RM494.75
million

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Net Promoter Score (NPS)

Why It's Important

NPS sums up customers' overall experience at RHB. It represents their likelihood to recommend RHB to a friend or family member. NPS allows us to gauge the quality of our customer experience, particularly in relation to competitors. It is an indication of customers' loyalty and willingness to repurchase and recommend our brand.

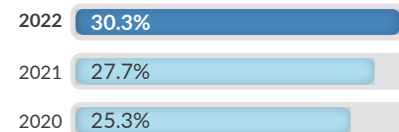
Results	2020	2021	2022
Retail	4 th	4 th	3 rd
SME	4 th	3 rd	5 th
Commercial	-	4 th	2 nd
Corporate	1 st	3 rd	1 st
IB Retail Equities	2 nd	6 th	7 th
Insurance	4 th	4 th	10 th
SG-Retail	2 nd	2 nd	2 nd
SG-Business	6 th	1 st	2 nd

Women in Senior Management (Level 10 and above)

Why It's Important

Gender diversity in leadership is a measure of a healthy and resilient team, linked to financial performance and innovation. Diversity at the management level creates the impetus for spreading an inclusive work culture across the Group.

Results

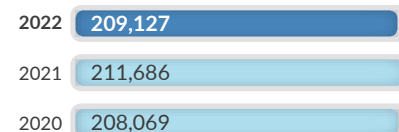


Number of SME Customers

Why It's Important

SMEs are a key underserved segment in our drive for financial inclusion. Offering banking and financing solutions catered to SMEs directly supports their economic activity and growth. Supporting SMEs helps us maintain our market share in an opportunity-filled segment.

Results



GHG Emissions

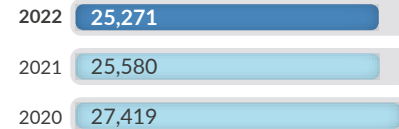
Why It's Important

Our operational carbon footprint and financed emissions* are the main indicators for measuring our impact on climate change.

Our management approach to climate change focuses on reducing our operational footprint to achieve carbon neutrality by 2030 and developing a pathway to achieve net zero by 2050, covering Scope 1, 2, and 3.

* Embarked on the Group Climate Action Programme to establish our baseline Scope 3 financed emissions.

Results

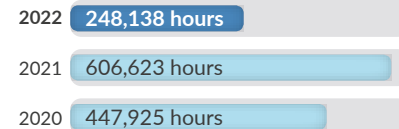


Training Hours

Why It's Important

The amount of time spent upskilling employees has a direct impact on their competency to deliver the goals of the Group. Training opportunities nurture employee engagement and retention, keeping employees motivated to develop a fulfilling career at RHB.

Results



Group Chief Financial Officer's Review



NIK RIZAL KAMIL
Group Chief Financial Officer

We recorded a net profit of RM2,707.7 million for FY2022, representing a 3.4% year-on-year increase.

The Group's performance in 2022 was commendable, demonstrating our resilience and ability to thrive in a challenging business environment.

The Group's net profit for the financial year ended 31 December 2022 rose 3.4% to RM2,707.7 million attributed mainly to higher net fund based income, absence of modification loss ("ML") and lower Expected Credit Losses ("ECL"). Our return-on-equity ("ROE") for FY2022 stood at 9.7% from 9.6% in FY2021.

Total income grew 6.7% Y-o-Y to RM8,308.8 million, attributed mainly to higher net fund based income, which grew by 8.6% Y-o-Y to RM6,379.3 million. Non-fund based income decreased 10.6% Y-o-Y to RM1,929.4 million due to lower fee income, insurance underwriting surplus and net trading and investment income; offset by higher net gain on forex and derivatives. Operating expenses increased 5.5% Y-o-Y to RM3,716.8 million. With positive JAWS, CIR improved to 44.7% compared with 45.2% a year ago. ECL reduced by 42.9% Y-o-Y to RM421.2 million due to lower ECL on loans and securities, and higher bad debts recovered, resulting in an improved credit charge ratio of 0.15% compared with 0.29% last year.

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Total assets for the Group increased 7.3% from December 2021 to RM310.8 billion as at 31 December 2022. Net assets per share was RM6.76, with shareholders' equity at RM28.7 billion as at end-December 2022.

The Group's gross loans and financing expanded by 6.9% Y-o-Y, driven primarily by growth in mortgage, auto finance, SME, Commercial, Singapore and Cambodia. Meanwhile, domestic loans and financing grew 5.3% Y-o-Y. Our customer deposits also grew 3.9% Y-o-Y to RM227.2 billion, supported by a 6.7% growth in fixed deposits and a 1.3% Y-o-Y increase in Current Account and Savings Account ("CASA"). CASA comprised 29.2% of total deposits, while our liquidity coverage ratio ("LCR") remained sound at 162.1%.

Gross impaired loans increased to RM3.3 billion with a gross impaired loans ratio of 1.55%, compared to RM3.0 billion and 1.49%, respectively, in 2021. Our loan loss coverage ratio for the Group, excluding regulatory reserves, remained healthy at 112.8% as of end-December 2022.

Overall, we maintained a robust capital position for the Group and key banking subsidiaries, ensuring our ability to meet future challenges and opportunities. As of December 2022, our Common Equity Tier-1 ("CET-1") and total capital ratio stood at an impressive 16.9% and 19.3%, respectively.

SEGMENTAL PERFORMANCE

GROUP COMMUNITY BANKING

- Posted a 9.6% Y-o-Y increase in pre-tax profit to RM1,836.0 million mainly due to higher net fund based and non-fund-based income. Gross loans and financing grew 7.3% Y-o-Y to RM133.2 billion, primarily driven by growth in mortgages (+10.0%), auto finance (+6.8%) and SME (+7.9%). Deposits increased by 2.1% Y-o-Y to RM102.3 billion, mainly contributed by growth in fixed deposits (+4.3%).

GROUP WHOLESALE BANKING

- Recorded a pre-tax profit of RM1,786.3 million, 9.0% lower Y-o-Y mainly due to lower net fund based and non-fund-based income. Gross loans and financing grew marginally by 0.7% Y-o-Y to RM50.7 billion, driven by growth in Commercial (+3.5%). Deposits increased 3.4% Y-o-Y to RM96.9 billion, primarily from higher fixed deposits (+5.7%) and current account (+7.7%).

GROUP INTERNATIONAL BUSINESS

- Posted a 243.7% Y-o-Y increase in pre-tax profit to RM415.0 million.
 - RHB Bank Singapore reported a pre-tax profit of SGD94.2 million, 385.6% higher Y-o-Y attributed to higher net fund based and non-fund based income, and ECL writeback during the year. Gross loans and advances grew by 11.7% Y-o-Y to SGD7.0 billion, while deposits increased by 8.8% to SGD7.3 billion.
 - RHB Bank Cambodia reported a pre-tax profit of USD17.2 million, a decline of 7.1% Y-o-Y attributed to higher operating expenses. Gross loans and advances grew by 11.4% Y-o-Y to USD756.9 million while deposits contracted by 17.6% to USD470.5 million.

GROUP SHARIAH BUSINESS

- Reported a 10.6% increase in pre-tax profit to RM1,139.4 million, mainly due to higher net fund-based income and the absence of ML. Gross financing grew 9.2% Y-o-Y to RM81.7 billion, while Islamic business contributed 44.6% of the Group's total domestic gross loans and financing, an improvement from 43.0% in 2021.

GROUP INSURANCE

- Registered a pre-tax profit of RM89.3 million, a decline of 26.2% Y-o-Y attributed to lower underwriting surplus.

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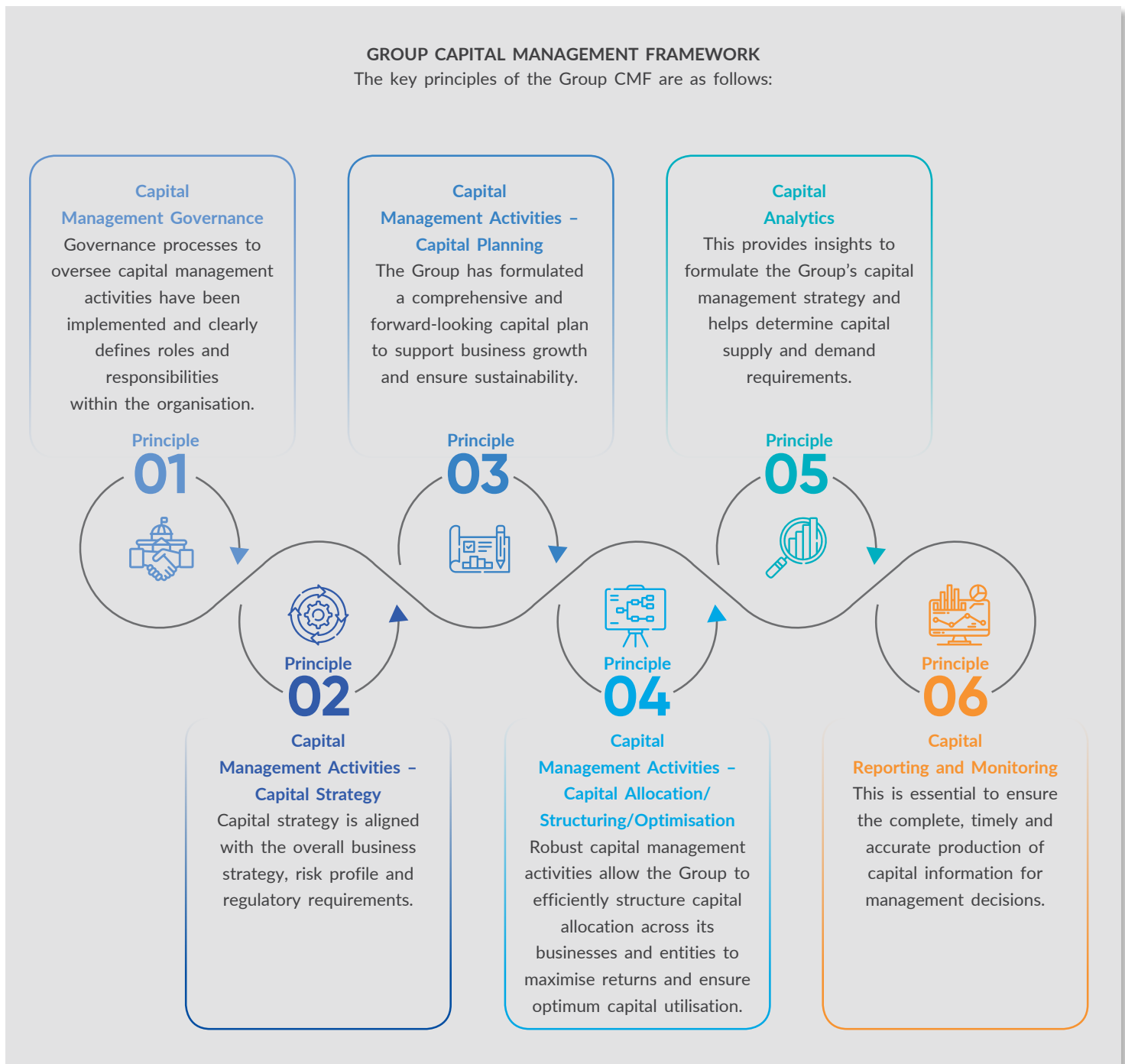
Group Chief Financial Officer’s Review

CAPITAL MANAGEMENT

Overview

The Group’s capital management approach is focused on maintaining a healthy capital position to support its business growth while optimising returns to our shareholders at the same time. The capital structure and framework are designed to meet not only the regulatory requirements but also to satisfy the expectations of the various stakeholders, including shareholders, investors, and rating agencies.

To this end, the Group Capital Management Framework (“CMF”) has been established to provide integrated oversight of our capital management activities. This oversight cuts across the risk, finance, and treasury functions, bringing greater value to the business.



Capital Monitoring and Planning

Effective capital management is crucial to maintain business sustainability. The Group manages its capital position proactively to meet regulatory requirements and the expectations of its various stakeholders, as well as to support its strategic business objectives.

The Group achieves these objectives via the annual Internal Capital Adequacy Assessment Process ("ICAAP"), through which we actively monitor and manage the capital position over a three-year horizon, involving the following critical activities:

- (i) Setting capital targets under both normal and stressed market conditions for all banking subsidiaries, both at Group and entity levels, taking into account anticipated future regulatory changes and stakeholder expectations;
- (ii) Forecasting capital demand for material risks based on the Group's risk appetite; and
- (iii) Determining the requirements for capital issuance and the maturity profiles of capital securities.

The Board Risk Committee ("BRC") and Group Capital and Risk Committee ("GCRC") are responsible for overseeing the capital planning and assessment process within the Group and for ensuring that the Group and its subsidiaries maintain an appropriate level and quality of capital consistent with the Group's overall risk profile and business strategy.

Capital Initiatives During The Year

The key capital initiatives undertaken in 2022 were as follows:

- (i) Basel III-compliant Tier 2 Subordinated Sukuk Murabahah for RHB Islamic Bank, amounting to RM250.0 million was redeemed in April 2022 and replenished with the Basel III-compliant Tier 2 Subordinated Sukuk Murabahah of RM250.0 million issued out of its RM5.0 billion Subordinated Sukuk Murabahah Programme;
- (ii) Basel III-compliant Tier 2 Subordinated Obligations for RHB Bank, amounting to RM750.0 million was redeemed in September 2022 and partially replenished with the Basel III-compliant Tier 2 Subordinated Obligations of RM500.0 million issued out of its RM5.0 billion (or its equivalent in other currencies) Multi-Currency Medium Term Note Programme; and
- (iii) Basel III-compliant Tier 2 Subordinated Obligations for RHB Investment Bank, amounting to RM200.0 million was redeemed in October 2022 and partially replenished with the Basel III-compliant Tier 2 Subordinated Obligations of RM100.0 million issued out of its RM1.0 billion (or its equivalent in other currencies) Multi-Currency Medium Term Note Programme.

Dividend Reinvestment Plan

On 25 May 2021, the establishment of a dividend reinvestment plan ("DRP") for RHB Bank was approved by the shareholders during Annual General Meeting. DRP provides greater flexibility to shareholders to reinvest electable portions of their dividend into new ordinary shares of RHB Bank and at the same time to preserve capital to grow business and withstand capital requirement under stress conditions.

DRP was first applied to the Group's final dividend for the financial year ended 31 December 2020. The dividend reinvestment rate has been encouraging with DRP subscription rate ranging from 83.31% to 87.65% upon implementation. Details of the DRP is disclosed in Note 34 and dividend payout is disclosed in Note 49 of the Financial Statements.

Capital Adequacy Ratios

Minimum capital requirements

Under BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), all financial institutions are required to maintain a regulatory minimum Common Equity Tier 1 Capital ("CET 1"), Tier 1 Capital ("Tier 1") and Total Capital Ratio of 4.5%, 6.0% and 8.0%, respectively.

Capital buffer requirements

Financial institutions are required to maintain additional capital buffers, i.e. the Capital Conservation Buffer ("CCB") and the Countercyclical Capital Buffer ("CCyB"), over and above the regulatory minimum capital ratios. The CCB is intended to enable the banking system to withstand future periods of stress and was phased in since 2016 to reach a total of 2.5% in 2019.

The CCyB is the weighted average of the prevailing CCyB rates applied in the jurisdictions in which a financial institution has credit exposure. This buffer is intended to protect the banking sector as a whole from the build-up of systemic risk during an economic upswing when aggregate credit growth tends to be excessive. Application of the CCyB above the minimum capital ratios is in the range of 0% to 2.5%. The CCyB has not yet been announced, and BNM will communicate any decision on the CCyB rate up to 12 months before the date from which the rate applies.

On 5 February 2020, BNM issued a policy document on the Domestic Systemically Important Banks ("D-SIBs") Framework that sets out the assessment methodology to identify D-SIBs in Malaysia and the relevant reporting requirements. Financial institutions designated as D-SIBs are required to maintain higher capital buffers to meet regulatory capital requirements that include a Higher Loss Absorbency ("HLA") requirement.

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Pursuant to the D-SIBs Framework, the applicable HLA requirement ranges from 0.5% to 1.0% of risk-weighted assets, at the consolidated level. The HLA requirement for designated D-SIBs came into effect on 31 January 2021. RHB Bank is not identified as a D-SIB pursuant to the latest D-SIB listing published in BNM's Financial Stability Review for First Half 2022.

The table below provides the relevant capital ratios of the key regulated banking entities of the Group, all of which are well above the minimum regulatory requirements.

As at 31 December 2022	RHB Bank Group	RHB Bank	RHB Islamic Bank	RHB Investment Group	RHB Investment Bank	Minimum Regulatory Ratio ^{N1}
Before proposed dividends:						
CET 1 Ratio	17.593%	16.036%	17.828%	38.815%	31.348%	7.000%
Tier 1 Ratio	17.593%	16.036%	17.828%	38.842%	31.348%	8.500%
Total Capital Ratio	20.039%	18.644%	20.826%	41.976%	37.528%	10.500%
After proposed dividends:						
CET 1 Ratio	16.887%	15.061%	17.033%	37.815%	29.058%	7.000%
Tier 1 Ratio	16.887%	15.061%	17.033%	37.843%	29.058%	8.500%
Total Capital Ratio	19.333%	17.669%	20.031%	40.977%	35.238%	10.500%

^{N1} Including Capital Conservation Buffer of 2.50%.

BALANCE SHEET MANAGEMENT

Overview

Balance sheet management aims to optimise returns and minimise costs through effective asset and liability management. It entails regular review, monitoring and indepth analysis of balance sheet positions to achieve the desired business growth and maximise shareholders' returns, against the backdrop of the changing regulatory environment and competitive economic and business landscape.

The synergy among all business and functional units across the Group is essential in driving and shaping the optimal balance sheet position of the Group through agreed strategies. The overarching strategies are reviewed and deliberated by the Group Asset and Liability Committee ("GALCO"), where conscious considerations are made with respect to the risk appetite of the Group. Therefore, it is vital to have a cohesive strategy driven by the business and functional units to achieve effective balance sheet management.

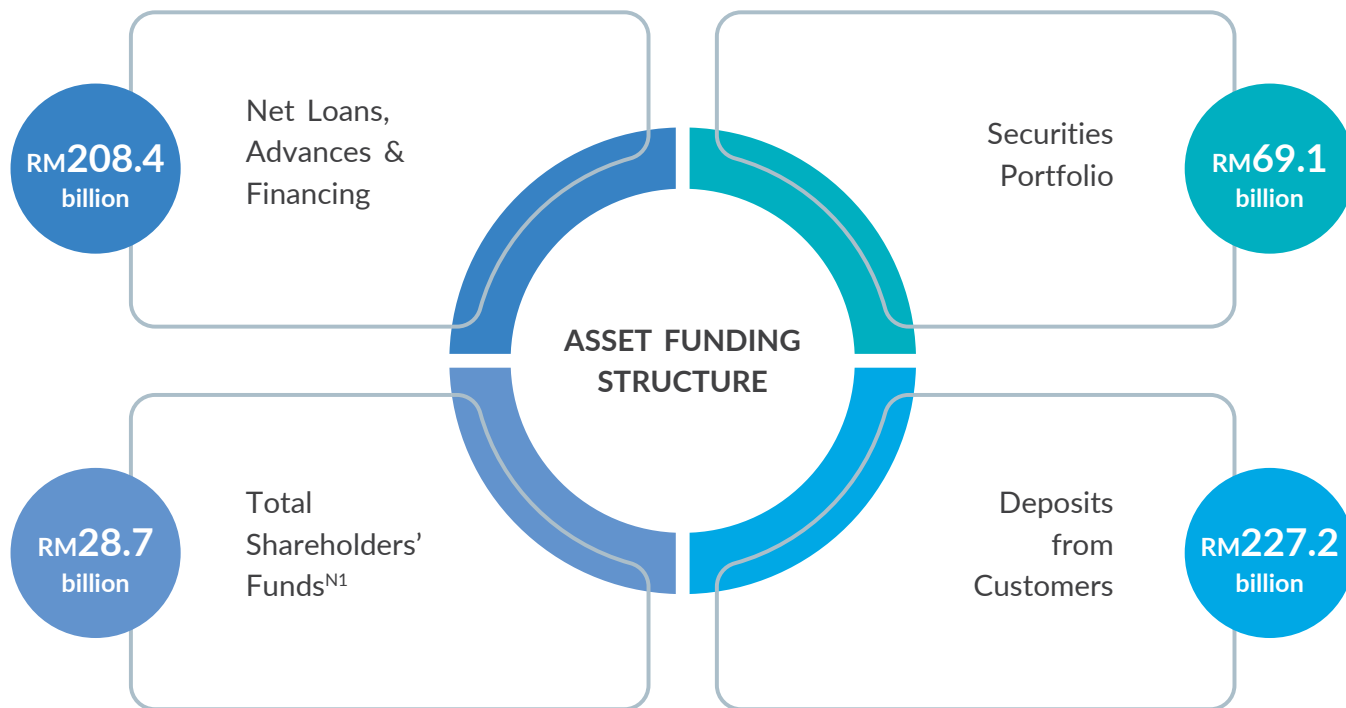
BALANCE SHEET STRUCTURE

The foundation of RHB's asset funding is built on shareholders' equity, long-term debt and core customer deposits. Through strategic balance sheet management, the Group's total net loans, advances and financing increased by RM13.5 billion to RM208.4 billion as at end-2022. The loan growth was achieved and managed with careful consideration as the Group placed greater emphasis on credit quality.

The strategies on funding, acquisition and product mix are reviewed regularly to ensure sustainability as well as cost-efficiency. The continuous efforts of and collaborations between various businesses have resulted in Group Customer Deposit growth of +3.9% year-on-year (December 2021: 7.5%) despite the market competition for deposits intensifying in FY2022 amidst an increasing interest rate environment.

Our stable deposit base and long-term debt are the primary sources of funds to support asset growth. Diversification of deposit and funding sources has been our ongoing long-term strategy. Deposit acquisition from community banking, including retail and SMEs and wholesale businesses are managed through our strong relationships with customers and our increasing focus on digital channels.

The table below shows the asset funding structure as at 31 December 2022.



^{N1} Total Shareholders' Funds including non-controlling interest.

OUTLOOK

The global economy is anticipated to face challenges in 2023, with expected slowdowns in growth due to various factors, including continued monetary policy prudence in the US, inflationary pressure, geopolitical tensions and trade protectionism. Despite this, the banking industry is projected to sustain loan growth in line with softer GDP growth, while interest rates are expected to normalise further to pre-pandemic levels. However, the banking sector is expected to remain resilient, supported by strong capital and liquidity positions and adequate provisioning.

In response to this challenging operating environment, the Group remains vigilant and committed to maintaining its strong fundamentals through its TWP24 strategy, which prioritises achieving quality growth and driving service excellence.

NIK RIZAL KAMIL
Group Chief Financial Officer

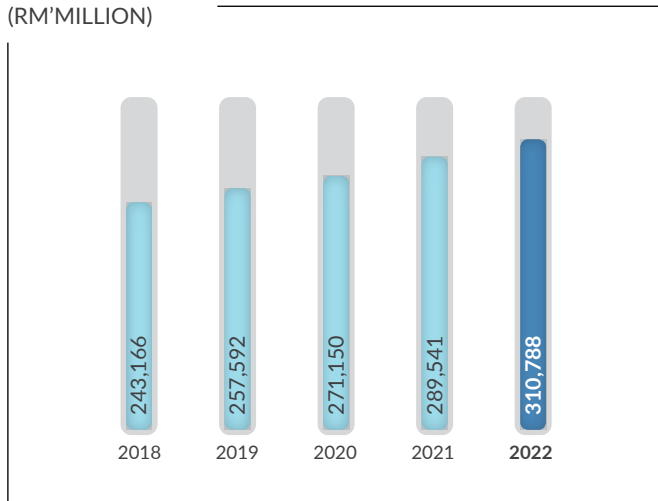
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5-Year Financial Summary

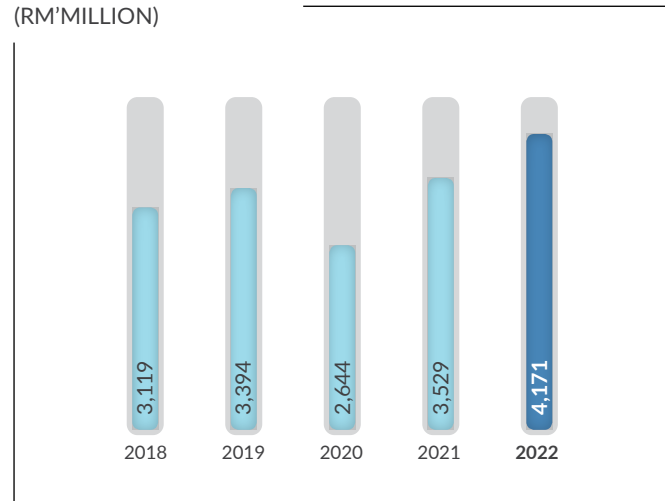
	2018	2019	2020	2021	2022
OPERATING RESULTS (RM'Million)					
Operating profit before allowances	3,448	3,670	3,799	4,266	4,592
Profit before taxation	3,119	3,394	2,644	3,529	4,171
Net profit attributable to equity holders of the Bank	2,305	2,482	2,033	2,618	2,708
KEY BALANCE SHEET DATA (RM'Million)					
Total assets	243,166	257,592	271,150	289,541	310,788
Gross loans, advances and financing	168,879	176,175	186,114	198,512	212,200
Total liabilities	219,770	231,782	244,093	261,511	282,042
Deposits from customers	178,856	190,555	203,471	218,733	227,160
Shareholders' equity	23,358	25,775	27,024	27,998	28,715
Commitments and contingencies	172,941	150,428	157,480	157,777	206,796
SHARE INFORMATION					
Gross dividend per share (sen)	20.50	31.00	17.65	40.00	40.00
Net assets per share (RM)	5.8	6.4	6.7	6.8	6.8
Net tangible assets per share (RM)	5.0	5.6	5.9	5.9	6.0
Basic earnings per share (sen)	57.5	61.9	50.7	64.7	64.7
Share price (RM)	5.29	5.78	5.45	5.37	5.79
Market capitalisation (RM'million)	21,213	23,178	21,855	22,247	24,592
FINANCIAL RATIOS (%)					
Profitability Ratios					
Net return on average equity	10.3	10.3	7.7	9.6	9.7
Net return on average assets	1.0	1.0	0.8	0.9	0.9
Cost-to-income ratio	49.3	48.0	47.1	45.2	44.7
Asset Quality					
Gross loans to deposits ratio	94.4	92.5	91.5	90.8	93.4
Gross impaired loans ratio	2.06	1.97	1.71	1.49	1.55
Dividend					
Dividend yield	3.9	5.4	3.2	7.4	6.9
Dividend payout ratio	35.7	50.1	34.8	62.9	62.5

5-Year Financial Highlights

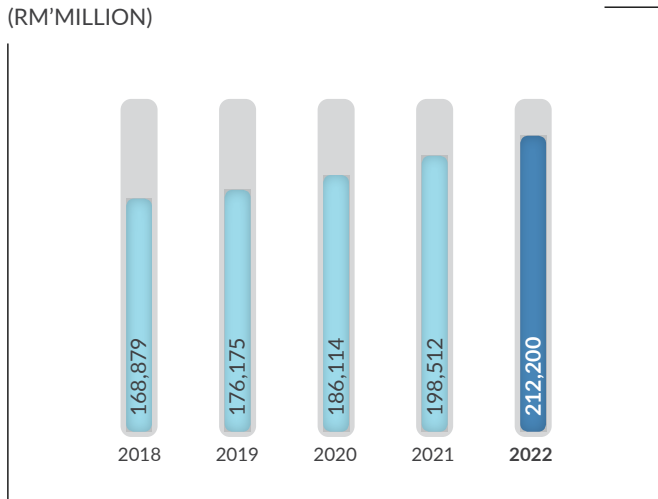
TOTAL ASSETS
(RM'MILLION)



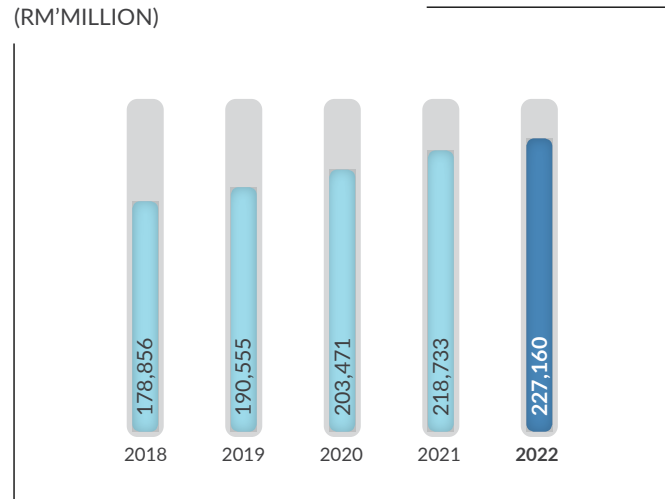
PROFIT BEFORE TAX
(RM'MILLION)



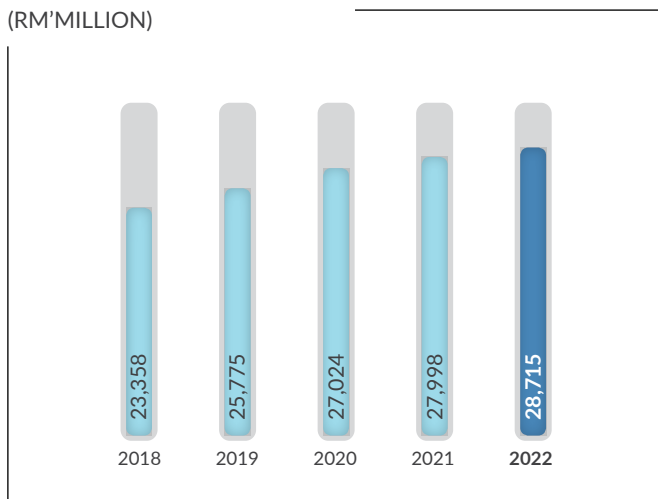
GROSS LOANS, ADVANCES AND FINANCING
(RM'MILLION)



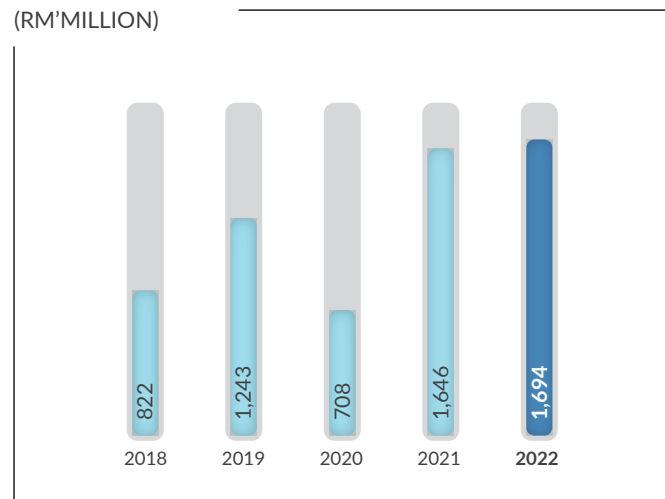
DEPOSITS FROM CUSTOMERS
(RM'MILLION)



SHAREHOLDERS' EQUITY
(RM'MILLION)

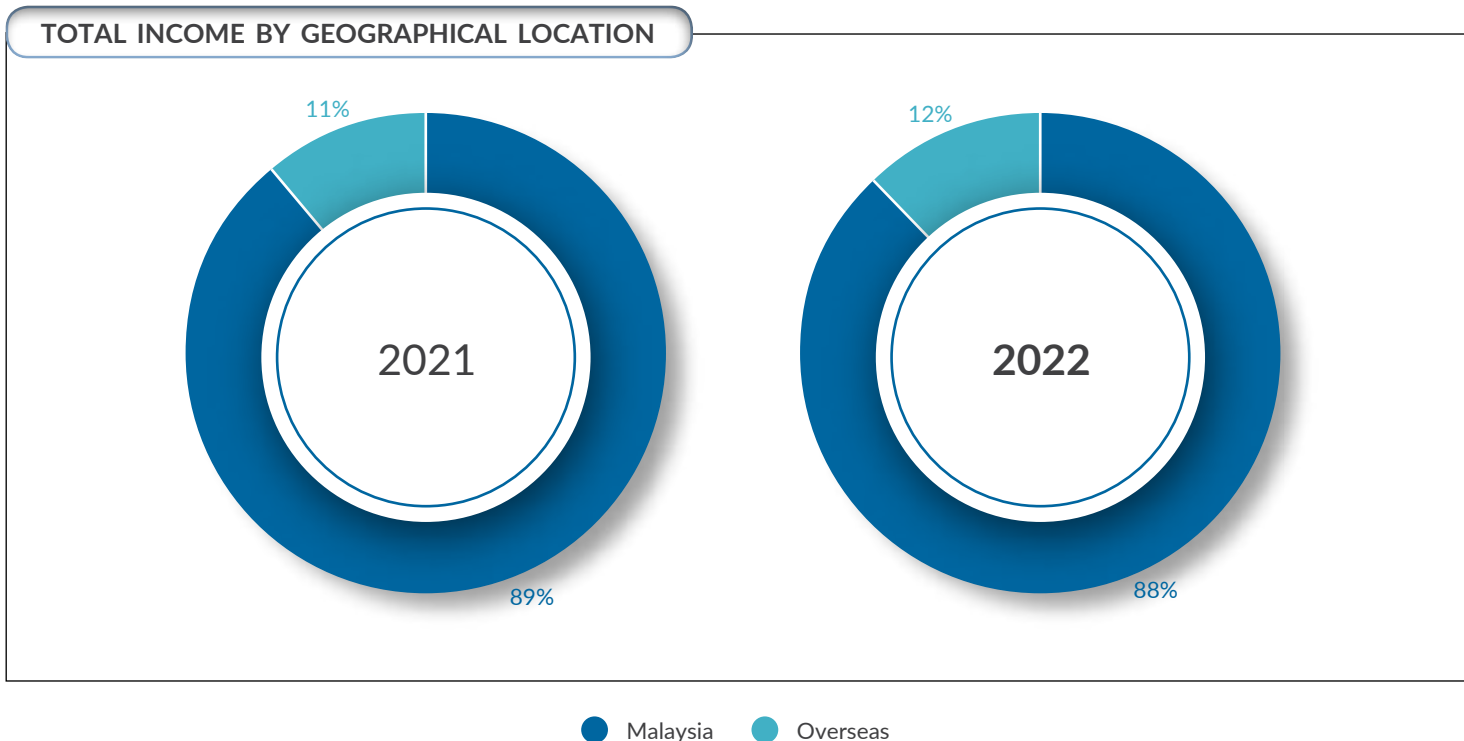
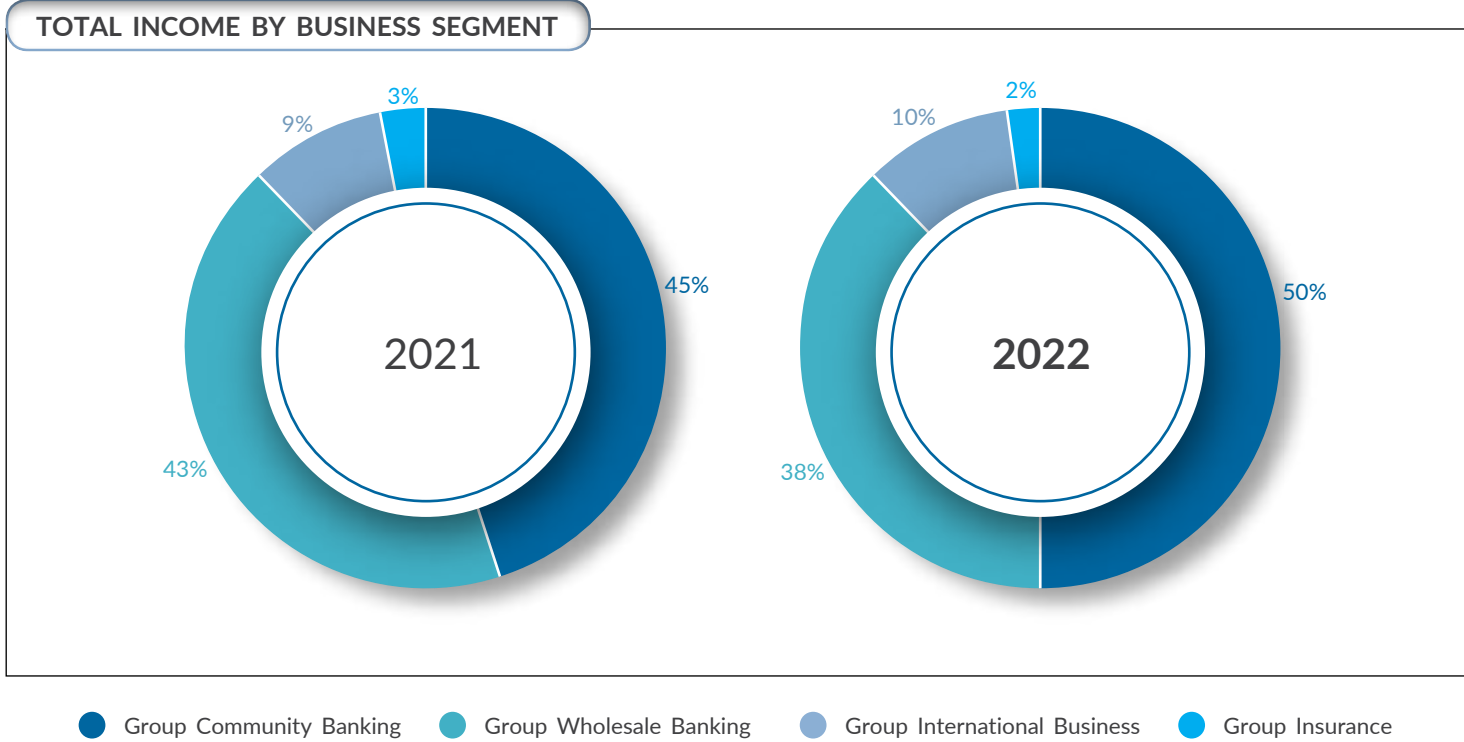


NET DIVIDENDS
(RM'MILLION)

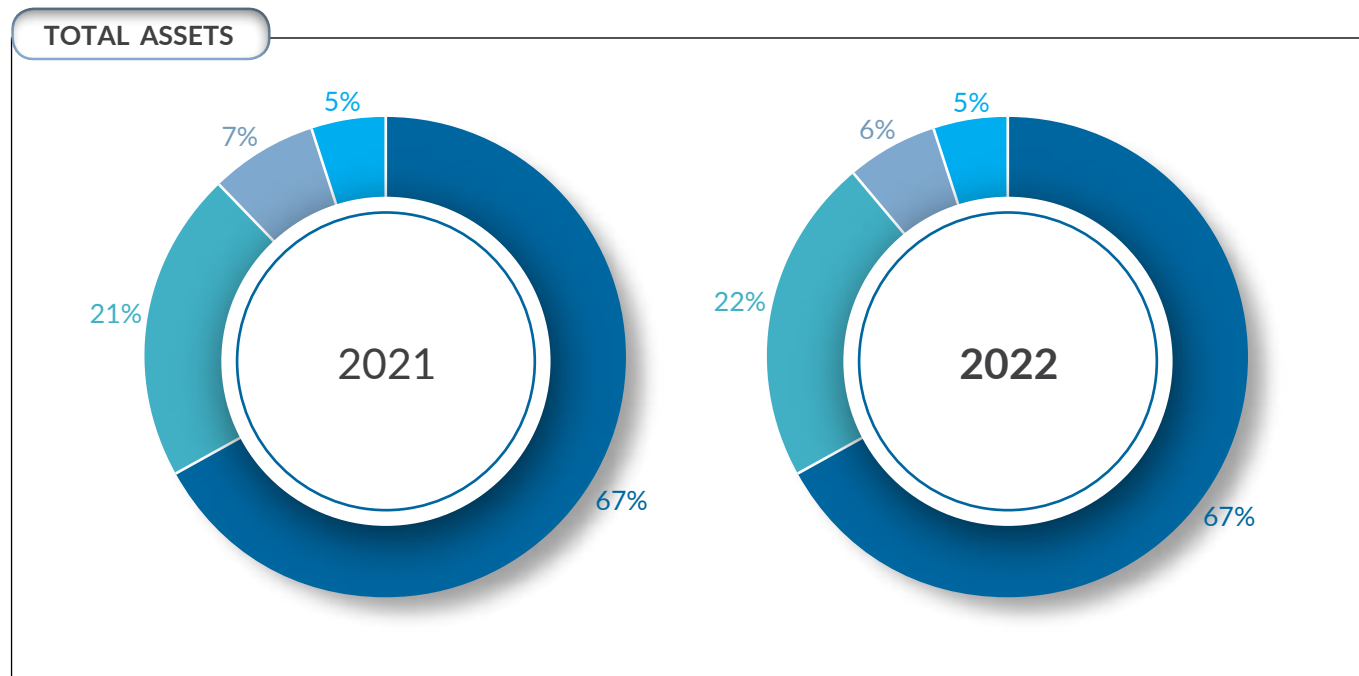


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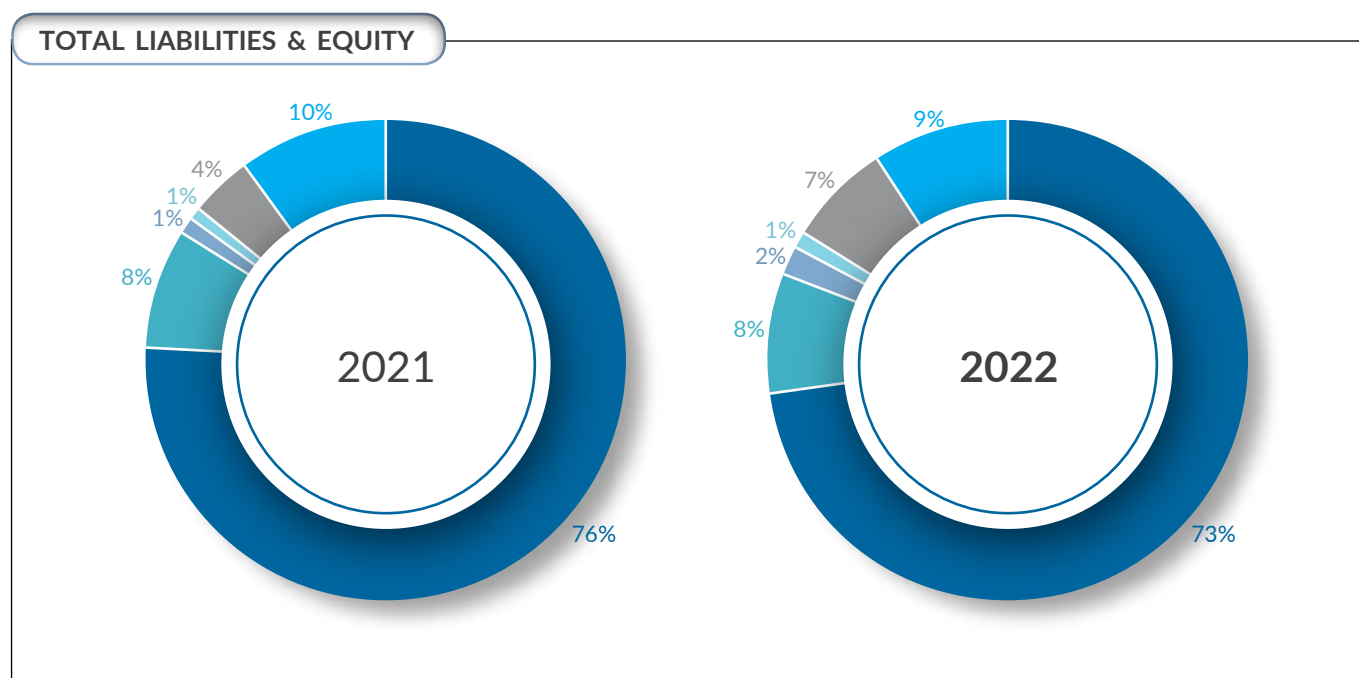
Segmental Analysis



Simplified Group Statements of Financial Position



- Loans, advances and financing
- Financial investments portfolio
- Cash and short-term funds
- Other assets



- Deposits from customers
- Deposits and placements of banks and other financial institutions
- Borrowings and senior debt securities
- Subordinated obligations
- Other liabilities
- Shareholders' equity

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Quarterly Performance

2022	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net fund based income	1,471	1,562	1,629	1,717	6,379
Non-fund based income	433	384	565	549	1,929
Total income	1,903	1,946	2,194	2,266	8,309
Operating profit before allowances	1,044	1,057	1,232	1,259	4,592
Profit before tax	891	1,019	1,039	1,222	4,171
Net profit attributable to equity holders of the Bank	600	635	700	772	2,708
Earnings per share (sen)	14.5	15.3	16.6	18.2	64.7
Dividend per share (sen)	-	15.00	-	25.00	40.00

2021	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net fund based income	1,417	1,432	1,492	1,534	5,875
Non-fund based income	543	574	621	421	2,159
Total income	1,923	2,006	1,941	1,919	7,789
Operating profit before allowances	1,038	1,141	1,079	1,009	4,266
Profit before tax	864	913	829	923	3,529
Net profit attributable to equity holders of the Bank	650	701	636	631	2,618
Earnings per share (sen)	16.2	17.5	15.6	15.3	64.7
Dividend per share (sen)	-	15.00	-	25.00	40.00

Key Interest Bearing Assets and Liabilities

	Amount (RM'million)	Effective interest rate (%)	Interest income/ expense (RM'million)
2022			
Interest Earning Assets			
Cash and short-term funds & deposits and placements with banks and other financial institutions	19,787	2.15%	400
Financial assets at fair value through profit or loss	3,089	3.44%	51
Financial assets at fair value through other comprehensive income	38,974	3.23%	1,360
Financial investments at amortised cost	27,007	3.61%	750
Gross loans, advances and financing	212,200	4.21%	8,800
Interest Bearing Liabilities			
Deposits from customers & deposits and placements of banks and other financial institutions	251,754	1.83%	4,420
Recourse obligation on loans sold to Cagamas Berhad	4,787	3.15%	92
Borrowings/Subordinated obligations/Senior debt securities	8,184	3.11%	235
2021			
Interest Earning Assets			
Cash and short-term funds & deposits and placements with banks and other financial institutions	23,318	1.09	204
Financial assets at fair value through profit or loss	2,778	3.03	52
Financial assets at fair value through other comprehensive income	41,141	3.26	1,391
Financial investments at amortised cost	17,962	3.61	624
Gross loans, advances and financing	198,512	3.87	7,427
Interest Bearing Liabilities			
Deposits from customers & deposits and placements of banks and other financial institutions	242,140	1.40	3,299
Recourse obligation on loans sold to Cagamas Berhad	2,260	3.56	80
Borrowings/Subordinated obligations/Senior debt securities	6,996	3.27	247

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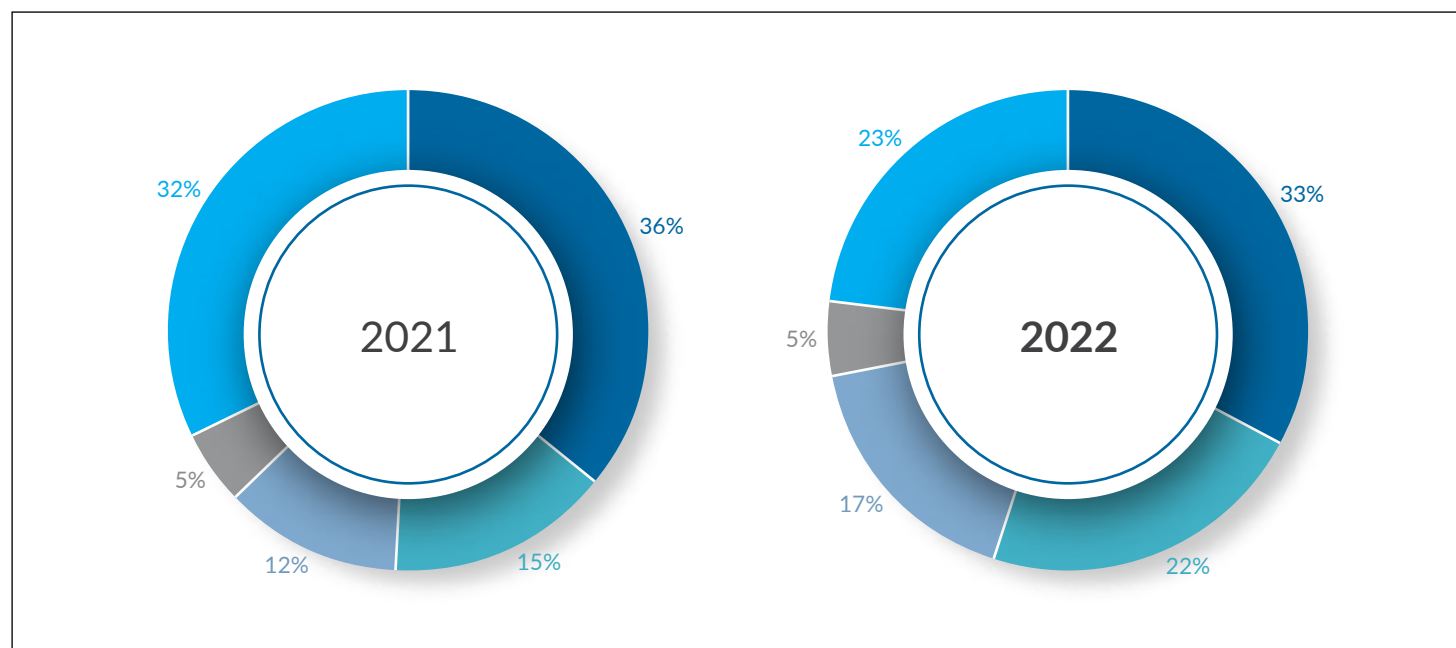
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Statement of Value Added

	2021	2022
Value added (RM'Million)		
Net interest income	4,062	4,174
Income from Islamic Banking business	2,095	2,398
Non-interest income	1,876	1,736
Net modification loss	(245)	-
Less: Overheads excluding personnel costs, depreciation, amortisation & write-off	(1,059)	(1,105)
Less: Allowance for credit losses & impairment	(738)	(421)
Value added available for distribution	5,991	6,782

Distribution of Value Added



- To employees:** ● Personnel Costs
- To the government:** ● Taxation
- To providers of capital:** ● Cash Dividend
- To reinvest in the Group:** ● Depreciation, Amortisation & Written-off
- Retained Profit

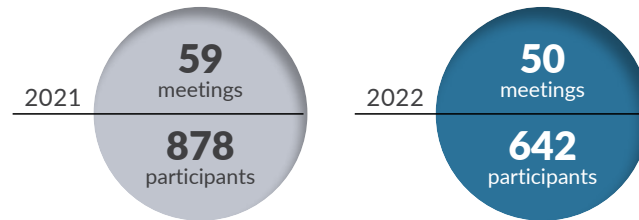
Investor Relations

The Group is committed to providing timely and transparent information on corporate strategies and financial data to the investing communities. We consider ongoing engagement and communication with stakeholders as key to building trust and understanding between the Company and its stakeholders.

The Group manages communications with its key financial audiences, including institutional shareholders and financial analysts, fund managers and credit rating agencies through a dedicated investor relations unit. Communication channels include one-on-one meetings, group meetings, conferences and roadshow, conference calls, email and our corporate website.

In addition, presentations and conference calls take place after publishing financial results on Bursa Malaysia. A broad range of public communication channels (including stock exchange news services, corporate website, news wires and news distribution service providers) are used to disseminate news releases.

The company's corporate website provides the latest and historical financial and other information, including financial reports.



FINANCIAL RESULTS ANNOUNCEMENTS

ANALYSTS BRIEFINGS

28 February 2022	RHB Bank FY2021 Results
30 May 2022	RHB Bank 1Q22 Results
29 August 2022	RHB Bank 2Q22 Results
29 November 2022	RHB Bank 3Q22 Results

** All the analysts briefings in 2022 were conducted virtually*

CONFERENCES, BUSINESS STRATEGY UPDATE AND ROADSHOWS

5 Jan 2022	JP Morgan ASEAN Financial Forum
23 Mar 2022	Invest Malaysia London 2022
8 Jun 2022	UBS OneASEAN Conference 2022
4 Jul 2022	Invest Asean 2022 Conference: Malaysia Week
6 Jul 2022	Singapore Non-Deal Roadshow
4 Aug 2022	TWP24 Analysts Briefing
8 Sep 2022	UBS APAC Financials & Fintech Virtual Conference 2022
13 Sep 2022	Macquarie Asean Banks Tour
13 Oct 2022	BofA Asian Credit Conference 2022
9 Nov 2022	CGS-CIMB Regional Financials Virtual Conference 2022



In 2022, we continued our engagements with the investing community through a roadshow in Singapore, conferences and meetings with both local and foreign investors. Virtual platform continued to be Investor Relation's main communication mode during the year.

2022 share price closed higher than a year ago and outperformed KLCI and KLFIN indices, whilst our 1-year TSR improved from 6th to 2nd rank.

IR conducted:

- Analysts Briefing for Financial Results Announcements
- Non-Deal Roadshow
- TWP24 Strategy Analysts Briefing

Corporate website: www.rhbgroup.com
 Email: investor.relations@rhbgroup.com

ANNUAL GENERAL MEETING

The Board encourages shareholders to attend the annual general meeting, notice of which appears in this Integrated Report, where shareholders have the opportunity to put questions to the Board, management and chairs of the various committees.

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MD&A - PERFORMANCE REVIEW



SUSTAINABILITY JOURNEY

LEADERSHIP

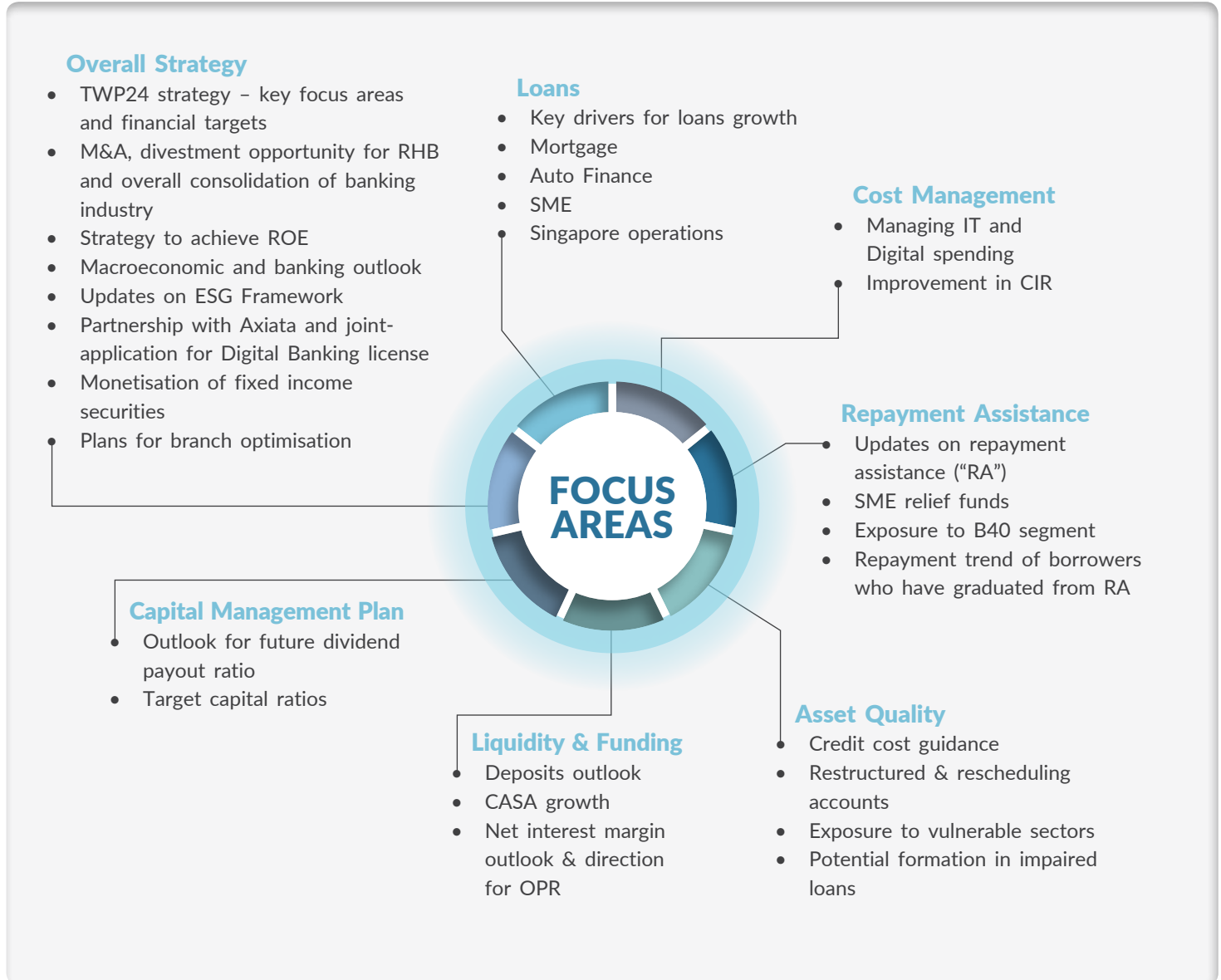
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ANALYST COVERAGE LIST

- | | | |
|-------------------------------|---------------------------------------|--------------------------------|
| 1 Affin Hwang Investment Bank | 7 Hong Leong Investment Bank | 13 MIDF Amanah Investment Bank |
| 2 AmResearch | 8 JP Morgan Securities | 14 Nomura Research |
| 3 CGS-CIMB Securities | 9 KAF-Seagroatt & Campbell Securities | 15 TA Securities |
| 4 Citi Investment Research | 10 Kenanga Investment Bank | 16 UBS Securities |
| 5 CLSA Securities | 11 Macquarie Research | 17 UOB Kay Hian |
| 6 Credit Suisse Securities | 12 Maybank Investment Bank | |



CREDIT RATINGS

RHB BANK BERHAD			
	RATING CLASSIFICATION	RATINGS	
RATING AGENCY	RAM Rating Services Berhad	Long-Term Financial Institution	AA1
		Short-Term Financial Institution	P1
		Outlook	Stable
	Standard & Poor's Rating Services	Long-Term Financial Institution	BBB+
		Short-Term Financial Institution	A-2
		Outlook	Stable
	Moody's Investors Service	Long-Term Bank Deposits	A3
		Short-Term Bank Deposits	P-2
		Baseline Credit Assessment	baa1
Outlook		Stable	

RHB INVESTMENT BANK BERHAD			
	RATING CLASSIFICATION	RATINGS	
RATING AGENCY	RAM Rating Services Berhad	Long-Term Financial Institution	AA1
		Short-Term Financial Institution	P1
		Outlook	Stable

RHB ISLAMIC BANK BERHAD			
	RATING CLASSIFICATION	RATINGS	
RATING AGENCY	RAM Rating Services Berhad	Long-Term Financial Institution	AA1
		Short-Term Financial Institution	P1
		Outlook	Stable

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Business Review



JEFFREY NG
 Managing Director,
 Group Community
 Banking

GROUP COMMUNITY BANKING

Group Community Banking demonstrated a strong performance despite a challenging year for the communities that we serve.

Retail loan growth was 7.2% against the industry's 5.9% and SME loans demonstrated notable growth at 7.9% vs the industry's 5.0%. Proactive measures to manage our retail loan assets put our asset quality in a better position than the market at 0.85% vs 1.38%. We continue to support our SME and Retail customers in achieving their financial goals and contributing to the Group's overall growth.

WHAT WE DO

Group Community Banking comprises the Group Retail Banking and Group SME Banking segments. We serve over 4.0 million individual customers and more than 200,000 businesses with conventional and Shariah-compliant consumer and SME banking solutions.

The Retail Banking segment provides consumer banking solutions to our customers, ranging from Wealth Management, Bancassurance, Mortgages, Auto Financing, and ASB Financing to Personal Financing, Credit Cards, and Payments and Deposits. The SME Banking segment provides business financing solutions to SMEs and family-owned enterprises.

We aspire to be the best community bank in Malaysia by progressing with communities. This position empowers us to meet personal or business needs through simplified, digitalised, and customised solutions.

AWARDS

Group Community Banking bagged numerous awards across the Retail and SME segments in 2022. This is a testament to our focused drive to become a community bank and SME Specialist Bank that serves our target demographic. We were recognised for the value we created to satisfy our communities' personal and business needs through simplified, digitalised, and personalised solutions.

The Asian Banker – Excellence in Retail Financial Services Awards 2022

- Best Retail Bank in Malaysia

The Asian Banker – Malaysia Awards 2022

- Best SME Loan
- Best Digital Ecosystem Initiative
- Best Home Loan Financing

Alpha Southeast Asia – Best Financial Institution Awards 2022

- Best Digital Bank in Malaysia

Retail Banker International – Asia Trailblazer Awards 2022

- Excellence in SME Banking
- Best Content Marketing Programme

The Digital Banker – Digital CX Awards 2022

- Outstanding Digital CX – SME Loan

CREATING STAKEHOLDER VALUE

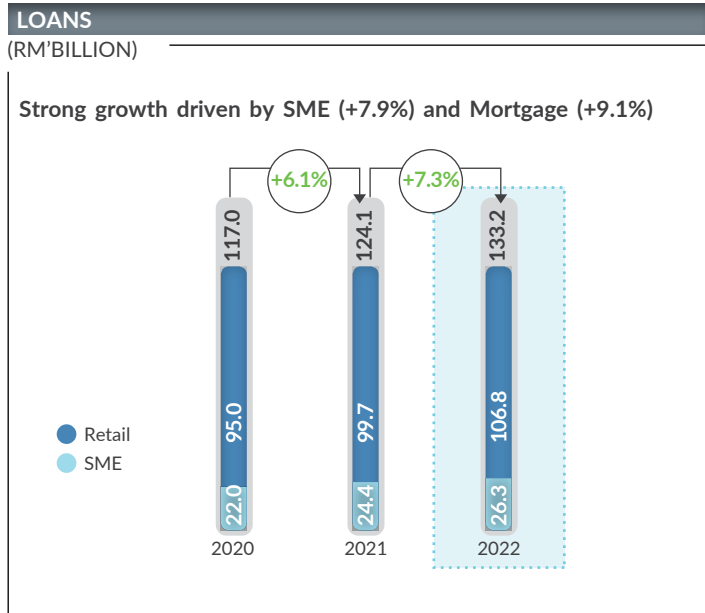
	Stakeholder Expectations	What We Did	Value Created
C Customers	<ul style="list-style-type: none"> Superior customer experience that satisfies customers' banking needs Digital convenience and seamless customer experience based on customer lifecycles and journeys 	<ul style="list-style-type: none"> Revolutionised the account opening process via system upgrade, streamlining of forms and over the counter processes Incentivised relationship-based roles strengthen RHB's service proposition through service-linked remuneration Improved the Retail and SME digital ecosystems to enhance convenience of the customer journey Launched new partnerships and innovative products 	<ul style="list-style-type: none"> Personal Finance sales via digital channels rose 146% from FY2021 49% of Mortgage applications processed via the RHB MyHome App SME Online Financing outstanding balance grew by 45% in FY2022 >60% reduction in Account Opening TAT across all account types Improvement in overall branch mystery shopping scores from 84% (Wave 1) to 94% (Wave 3), driven by better customer experience >67% users onboarded our RHB Internet Banking platform in FY2022 Facilitated >68% DuitNow QR Pay transactions and onboarded >19,000 DuitNow QR Merchant in FY2022 Provided homeowners the option to release their property in the event of involuntary unemployment through a buy-back scheme, RHB Switch, in partnership with a leading property developer Supported first homeownership among gig workers, small entrepreneurs, and farmers through the introduction of 100% home financing up to RM400,000 through Housing Credit Guarantee Scheme ("SJKP")
EM Employees	<ul style="list-style-type: none"> Higher productivity and better processes More in-depth knowledge on risk and compliance 	<ul style="list-style-type: none"> Enhanced onboarding forms, processes, and systems Introduced centralised processing for selected key processes Established GCB Business Compliance unit to ensure employees adhere to external rules and internal controls 	<ul style="list-style-type: none"> Savings of 2.1 million minutes in reduced TAT from system upgrades and process streamlining Majority of internal audit ratings in FY2022 were 'strong' and 'satisfactory'
C Communities	<ul style="list-style-type: none"> Assimilation with the community while playing an active role in shaping and championing sustainable development 	<ul style="list-style-type: none"> Increased engagement with community organisations to improve community welfare Implemented RHB Touch Hearts initiatives to address social and environmental issues in communities Provided training and financial literacy programmes to micro-entrepreneurs from the B40 community Championed campaigns for ocean conservation in collaboration with cross-sectoral partners 	<ul style="list-style-type: none"> Enhanced convenience with two Mobile ATM trucks for Sarawak residents in remote locations RM400,000 raised by RHB employees to complete 42 humanitarian and environmental projects under RHB Touch Hearts Educate, assist and equip >140 local micro/small entrepreneurs with knowledge to start and sustain small businesses 1.3 tonnes of rubbish cleared during a <i>gotong-royong</i> at Sekinchan village
SI Shareholders and Investors	<ul style="list-style-type: none"> Integrate ESG considerations into all of our business-related strategies Growth of market share and customer loyalty A business that is ready to stay ahead of the curve 	<ul style="list-style-type: none"> Accelerate the momentum of first-time home-owners through Skim Rumah Pertamaku Doubled down on Auto Finance business in the electric vehicle ("EV") segment by offering preferential rates and product bundling offerings Grew market share for our loan products Continued to build our brand via key partnerships (i.e. Volvo, foodpanda, Boost) Continued to invest in digital capabilities and reform our branch network 	<ul style="list-style-type: none"> RM995 million in loans approved, more than double the value in FY2021 690 green financing loans approved for hybrid, plug-in, and electric vehicles. Total of RM98 million disbursed, about three times more than 2021 Retail loans and SME loans grew 7.2% and 7.9%, respectively in FY2022 Onboarded multiple new digital partners in 2022, including Boost and foodpanda to provide seamless access to services for our customers Upgraded our Account Onboarding system, Core Banking system, and Mobile/Internet Banking platforms Refitted our branches to better serve the needs of our target communities
RA Regulatory Authorities and Policymakers	<ul style="list-style-type: none"> Compliance with regulations to combat electronic banking fraud Enhancement of AML in Group Community Banking processes 	<ul style="list-style-type: none"> Enhanced customer awareness by consistently publishing awareness materials on cybersecurity, fraud, and scam cases on the Group's communication platforms (RHB website, social media, and mobile/internet banking platforms) Alignment of data processes with AML CDD requirements, supported by automation such as autofill function, to minimise error and improve data accuracy 	<ul style="list-style-type: none"> >1.5 million customers engaged on fraud awareness and education via SMS and social media platforms 58.9% increase in fraud cases detected and prevented, while 39.6% reduction in fraud value of cases reported Y-o-Y

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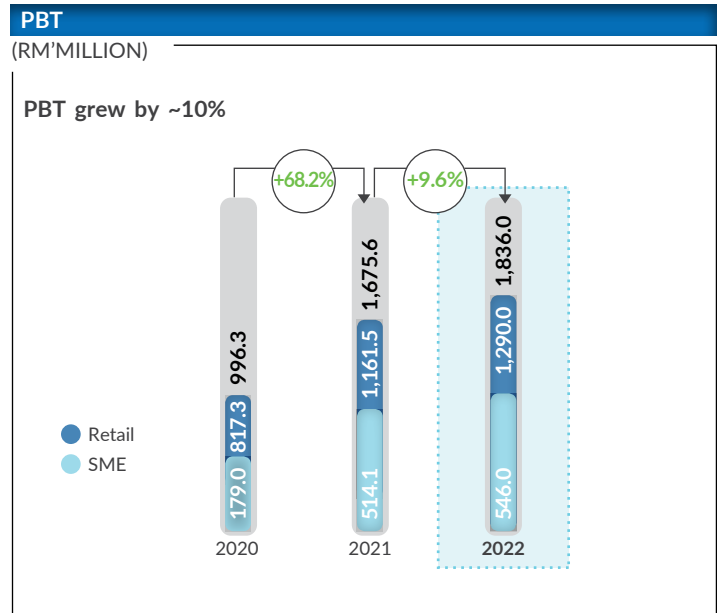
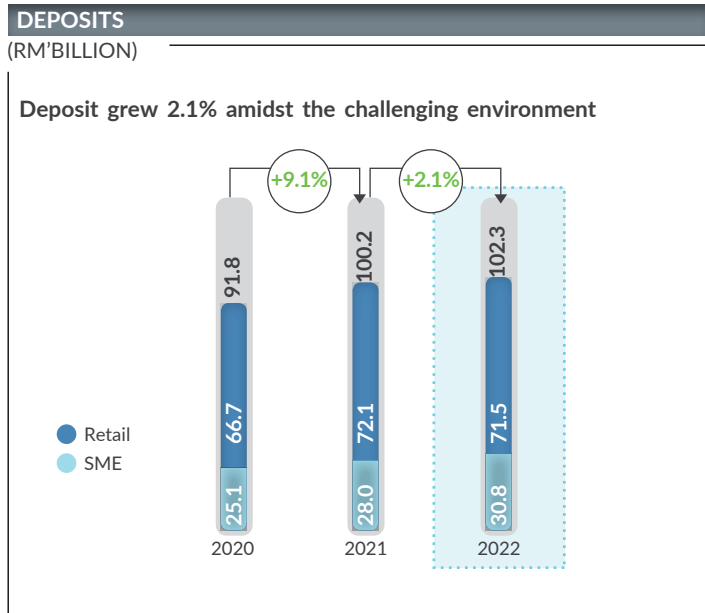
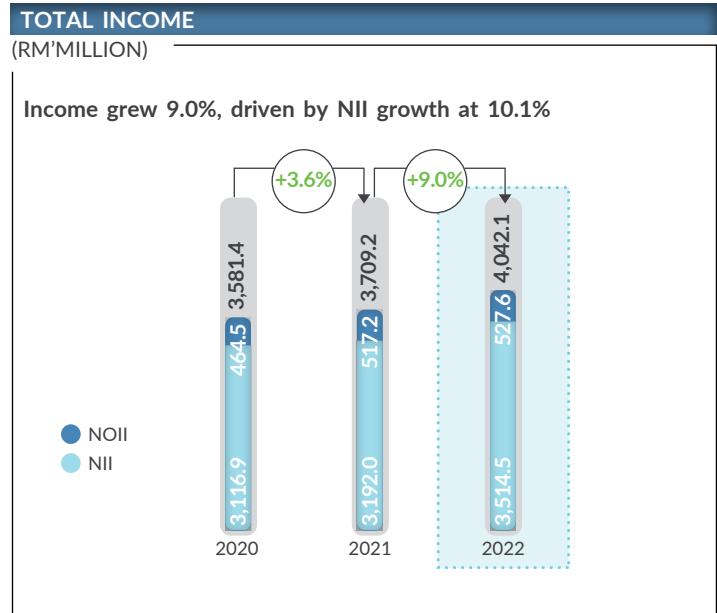
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OUR PERFORMANCE

Balance Sheet



Income Statement



Group Community Banking registered strong loans growth of 7.3% Y-o-Y, mainly driven by SME loans and Mortgage, while deposits growth normalised at 2.1% due to the overall market conditions in the Retail segment. Total income was buoyed by a 10.1% growth in Net Interest Income. PBT was recorded at RM1.8 billion amid higher loan loss provisions.

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks <ul style="list-style-type: none"> Increasing competition in the deposits market 	<ul style="list-style-type: none"> Enhanced our Joy@Work proposition to capture and grow overall payroll 	<ul style="list-style-type: none"> Number of active accounts under Joy@Work grew 7% in 2022 Payroll transacted via Joy@Work increased 25% to RM3.9 billion, mainly driven by Indi@Joy, which grew by 137% Y-o-Y
Opportunities <ul style="list-style-type: none"> Volatility in the investment market opens up opportunities to seek safer, more resilient assets Growth potential of the Mass Affluent Segment Diversification of Mortgage and Auto Finance Portfolio and Sales Channel 	<ul style="list-style-type: none"> Focused efforts on Structured Investment and Bancassurance segments Developed propositions targeting Mass Affluent customer journeys, lifecycle, and value propositions Expended more resources on Sales staff in Branch and End Financing Team outside of the Klang Valley Doubled down on Auto Finance EV/Hybrid Financing proposition 	<ul style="list-style-type: none"> Achieved record-high Bancassurance sales of RM131 million Introduced a dedicated Mass Affluent squad to execute different value propositions throughout the segment customer journeys Mortgage Sales from Branch increased 44% Y-o-Y to RM1.3 billion, more than 10% of overall Mortgage Sales Preferential Rate for EV/Hybrid Financing and bundling deals with other auto accessories

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OUTLOOK

In 2023, we will continue to deepen relationships in the SME, Affluent, and Mass Affluent segments. Our strategies include refining customised propositions, introducing new products to the market, and enhancing customer journeys. This will be achieved through a three-pronged approach: robust data analytics to deliver hyper-personalised solutions for each segment, doubling down investment in digital channels to scale our ecosystem, and enhancing branch network and system capability.

Above all, we remain committed to provide superior service to our customers by going above and beyond the call of duty by building a service model around customer journeys, staff engagement and leadership while maintaining operational excellence. We continue to invest in enhancing and upgrading our systems to manage risks and cater to customer expectations.

The government officially announced transition to endemicity in April 2022, and we are confident that our branch network is ready to maintain service delivery while remaining cautious of potential new COVID-19 variants. Group Community Banking supports continuing BNM initiatives for debt management programmes for recovering households and SMEs in Malaysia, while we strive to be the best community bank in Malaysia.

Business Review



**SYED AHMAD
TAUFIK ALBAR**

Managing Director,
Group Wholesale
Banking

GROUP WHOLESALE BANKING

Group Wholesale Banking (“GWB”) offers an extensive range of solutions to our customers through several business segments. Together, Group Investment Banking, Group Corporate Banking, Commercial Banking, Group Treasury and Global Markets, Group Asset Management, Transaction Banking and Economics make up our GWB business.

GWB recorded a 9.0% Y-o-Y decline in pre-tax profit on the back of headwinds in macroeconomic factors such as high inflation, rapid rise in interest rates, recessionary fears, geopolitical instability and political uncertainty and intense competition for deposits. Despite that, gross loans and assets grew by 1.5% to RM57.3 billion while total deposits increased by 3.4% to RM96.9 billion.

GROUP INVESTMENT BANKING



Investors maintained a cautious stance as prospects gradually improved in a slow recovery. Despite macroeconomic headwinds, Group Investment Banking remained steadfast and focused on being competitive by maintaining close client relationships. We defended our market leadership in Ringgit Bonds, Sukuk, Mergers and Acquisitions (“M&A”), Call Warrants, achieved Top 6 position in Equities Broking and participated in notable Debt and Equity Capital Markets deals in Malaysia. Our achievements and value created for our customers and clients were made possible through close collaboration with other business segments operating under Group Wholesale Banking.

WHAT WE DO

Group Investment Banking offers a full range of capital market products, structuring, advisory services, and investment products to Large Cap and Mid Cap clients, conglomerates, and Government-linked companies and agencies. Our fund raising activities in the primary market includes equity and various debt instruments, while in the secondary market, our equities trading/brokerage cover institutional and retail clients. In addition, we provide structured investment ideas and products to clients. In line with the Group’s TWP24 corporate strategy, Group Investment Banking strives to maintain Top 3 leadership position in investment banking in Malaysia with integrated and sustainable overseas operations.

AWARDS

Alpha Southeast Asia 16th Annual Best Financial Institution Awards 2022

- Best M&A House in Malaysia – RHB Investment Bank

Bursa Excellence Awards 2022

- Champion – Best Retail Derivatives Trading Participant (4 consecutive years)
- 1st Runner Up – Best Retail Equities Participating Organisation – Investment Bank
- 2nd Runner Up – Best Retail Bursa Malaysia-i Participating Organisation

The Asset Triple A Islamic Finance Awards 2022

- Best ASEAN Sustainability Sukuk
 - SME Bank RM500.0 million ASEAN Sustainability Wakalah Bi Al-Istithmar Sukuk (Sole Principal Adviser, Sole Lead Arranger and Joint Lead Manager)

The Asset Triple A Sustainable Infrastructure Awards 2022

- Most Innovative Deal of the Year – Malaysia
 - Cellco Capital RM520 million Ijara Sukuk (Sole Principal Adviser, Sole Lead Arranger and Sole Lead Manager)

MARC Lead Managers’ League Table Awards 2021

- First Place – Issue Count (Conventional & Islamic)
- First Place – Rated Issue Value (Conventional & Islamic)

CREATING STAKEHOLDER VALUE

	Stakeholder Expectations	What We Did	Value Created
EM Employees	<ul style="list-style-type: none"> Talent development and career progression opportunities 	<ul style="list-style-type: none"> Provided specialised training courses tailored to Investment Banking, from Retail Equities (Stock Broking) to Capital Markets 	<ul style="list-style-type: none"> Over 450 training programmes organised to improve employee prospects and qualifications of IB employees
6 Communities	<ul style="list-style-type: none"> Positive social impact for underprivileged communities 	<ul style="list-style-type: none"> Replaced flood-damaged furniture in a primary school in rural Sarawak Refurbished a run-down orphanage including electrical and leaking repairs, installation of missing doors and cabinets, and a fresh coat of paint Provided groceries and basic necessities to more than 40 families from the B40 community 	<ul style="list-style-type: none"> Enhanced RHB's community impact by restoring conditions that are conducive for learning and living for underprivileged communities
RA Regulatory Authorities & Policymakers	<ul style="list-style-type: none"> Alignment of Money Laundering and Terrorist Financing risk ("ML/TF risk") with the regulator's expectations and RHB Banking Group's risk tolerance 	<ul style="list-style-type: none"> Improved ML/TF risk management within RHB Banking Group, with inputs from all three Lines of Defence across the Business function, Compliance, Risk and Legal function, and Audit function, supported by Senior Management and Board of Directors 	<ul style="list-style-type: none"> More efficient ML/TF risk management through enhanced controls involving, among others, Customer Risk Profiling management, and Transaction monitoring management
C Customers	<ul style="list-style-type: none"> Convenient and seamless onboarding process as part of the stock trading experience Trading advisory and access to up-to-date market outlook, trends, economic view, and robust analysis Fundraising solutions and advisory services that are aligned with clients' requirements in a challenging market environment 	<ul style="list-style-type: none"> Launched e-KYC to enable non-face-to-face and paperless account opening application Launched RHB Investment Lab to targeted clients, a 3-month programme consisting of 13 sessions to equip investors and traders with the necessary tools and knowledge to invest wisely Continued hosting Facebook Morning Cuppa@8 to share daily market updates with customers Engaged with subscribers of RHB Retail Equities Malaysia's Telegram channel, broadcasting news and updates to all subscribers Focused on close-knit client engagements, fostering strong team collaboration across Group Wholesale Banking to provide strategic solutions to clients Organised various client engagement/appreciation events to foster networking and relationship-building with clients 	<ul style="list-style-type: none"> More than 2,400 applications received since e-KYC went live in August 2022, resulting in a seamless online account opening process for these customers that saves them a trip to the branches Reduced the average customer onboarding turnaround time from seven days to two days More than 260 customers empowered to make informed investment decisions through the ongoing sessions at RHB Investment Lab To date, more than 190,000 retail investors have gained insight into market updates via webinars as part of their investment journey
SI Shareholders and Investors	<ul style="list-style-type: none"> Promote and drive the Group's ESG agenda 	<ul style="list-style-type: none"> Engaged and promoted our ESG capabilities to clients Conducted ESG research events in Thailand such as ESG Diamonds In The Rough Roadshow, Regional Thematic on renewable energy, ESG Thematic conference day Explored avenues for new ESG product offerings 	<ul style="list-style-type: none"> Completed RM1.5 billion in issuance size which included Equities and Advisory Deals, issuance of Sustainability Linked Sukuk and Sustainability IMTN Achieved Best Analyst for ESG in Singapore under AsiaMoney Brokers Poll 2022 Launched ESG Share Margin Financing and ESG Share Margin Financing Islamic

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OUR PERFORMANCE

	2021		2022	
	Position	Market Share	Position	Market Share
Bonds	3	14.8%	3	18.1%
Sukuk	3	15.4%	3	18.4%
Equities	5	9.5%	3	6.6%
M&A	3	35.2%	1	61.6%
Equities Broking	4	8.9%	6	6.8%
Warrants	3	15.0%	3	19.1%

Source: Bloomberg, Dealogic, Bursa Malaysia, RHB
 Note: Information above represents domestic business only

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks Market volatility driven by the Russia-Ukraine conflict, China's prolonged Zero COVID Policy and extended supply chain congestion	<ul style="list-style-type: none"> Launched tactical campaigns to enhance retail interest Conducted webinars on the economic, market, thematic, and sectoral outlook to provide insights to clients Focused on close-knit client engagements, fostering strong team collaboration across Group Wholesale Banking to provide strategic solutions to clients 	<ul style="list-style-type: none"> Retained steady trading volumes (ranked 4th by trading volumes in FY2022) Improved the success rate in the completion of deals through strong collaboration, despite the challenging market conditions
Opportunities Bursa Trading volumes returned to pre-pandemic levels, welcoming the opportunity for improved investor engagement activities	<ul style="list-style-type: none"> Conducted more than 600 online and offline events in English, Bahasa Malaysia, and/or Mandarin, across our nationwide branches and through webinars covering a wide range of topics, from products and stock analysis tools to market updates 	<ul style="list-style-type: none"> Facilitated learning and experience sharing for more than 190,000 retail investors

OUTLOOK

We are optimistic that the economic performance will improve as core markets reopen in 2023. This will be an opportunity to create better long-term value for our stakeholders and deliver our promise. Despite a tumultuous past year, we remain focused on driving our leadership position to become the primary Investment Bank for our customers and clients, guided by our TWP24 corporate strategy.

New and existing client relationships will be enhanced by digital capabilities that enable revenue monetisation from our social and relationship capital. International growth will continue to be driven by RHB's cross-border expertise delivered through our regional network, leveraging on support from Malaysia.

As part of our effort to drive ESG within the Group's financial ecosystem, we intend to build internal sustainability capabilities and increase engagement with clients and investors on ESG concerns. We are excited to continue our momentum in building our ESG deal pipeline and product offering in Malaysia and the regional markets.

GROUP CORPORATE BANKING



In 2022, we continued to build on the trust earned from a track record of delivering excellent customer experience – a hallmark of our long-term relationship with our clients. Responsible growth was a key driver in maintaining our top three corporate lending market share position in Malaysia. Optimising our regional presence, we also selectively seized opportunities to grow in countries such as Singapore, Thailand and partnering our clients in countries where they have presence. Through this, we were able to capitalise on our current clientele and acquire new-to-bank clients.

WHAT WE DO

Group Corporate Banking provides a comprehensive suite of Conventional and Shariah-compliant financing solutions to corporate clients listed on stock exchanges locally and abroad. These financial solutions include working capital funding, trade financing, foreign currency hedging, project financing, syndication as well as funding of corporate exercises. Our reach extends across Southeast Asia to support our clients' growth regionally.

The business provides bespoke structured financing and win-win value propositions to meet our clients' needs and to progress together in line with the Group's purpose.

CREATING STAKEHOLDER VALUE

	Stakeholder Expectations	What We Did	Value Created
CU Customers	<ul style="list-style-type: none"> Personalised and comprehensive coverage of corporate banking products and solutions. Delivery of holistic financial solution in customers' best interest 	<ul style="list-style-type: none"> Refined our client relationship model to further deepen long-term relationships and outperform customer expectations, capitalising on synergies within the Group Wholesale Banking model Structured accounts planning with product specialists to maximise cross selling opportunities for all product offerings. Clear demarcation of customers within the Group to further promote accountability and ownership 	<ul style="list-style-type: none"> Loans and asset growth of 0.9% with 10 new client acquisitions Total Income improvement of 1.7% Y-o-Y to RM853.9 million whilst NOII recorded 3.5% growth Improvement in Group product holding for large, mid and small cap public listed companies by 5%, 3% and 5% respectively
CO Communities	<ul style="list-style-type: none"> Contributed to sustainability of the environment through RHB Touch Hearts initiative 	<ul style="list-style-type: none"> Collaboration between Corporate Banking staff and residents of Kampung Dato' Abu Bakar Baginda, to clean up pollution waste in Sungai Air Hitam along the village area. 	<ul style="list-style-type: none"> Created awareness in the village on the importance of maintaining a clean river, as Sungai Air Hitam is a tributary to Sungai Langat which supplies raw water to major parts of Klang Valley. A total of 1.5 tonnes of pollution waste was removed from the designated area covering 4.5 sq. km.
SI Shareholders and Investors	<ul style="list-style-type: none"> ESG commitment and sustainable product offerings 	<ul style="list-style-type: none"> Supported the Group's ESG commitment by prioritising the growth of green and sustainable loan financing 	<ul style="list-style-type: none"> Achieved a total of RM533.0 million in new acceptance for ESG-related loans in 2022, supporting renewable energy, green buildings, and pollution prevention and control.

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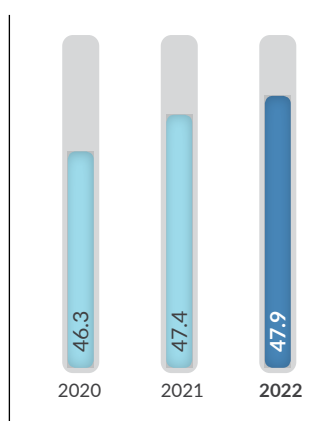
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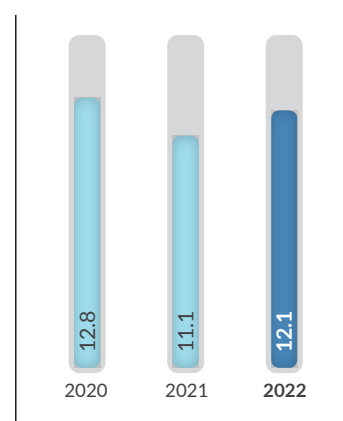
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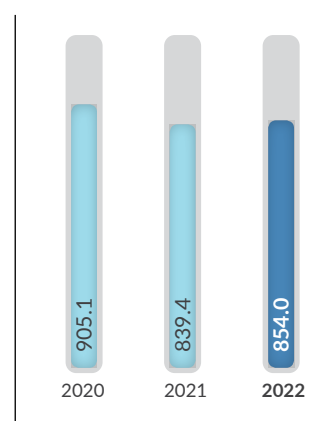
LOAN & ASSETS
(RM'BILLION)



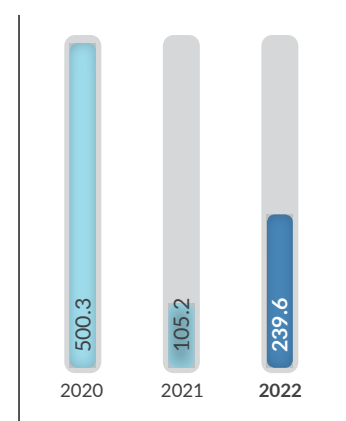
CASA
(RM'BILLION)



TOTAL INCOME
(RM'MILLION)



PBT
(RM'MILLION)



Note: Information above represents domestic business only

Group Corporate Banking loans and assets remained stable at RM47.9 billion with Y-o-Y growth of 0.9% in FY2022. Total deposit grew 6.9% to RM60.9 billion mainly due to CASA. CASA expanded strongly by 9.3% in FY2022 from RM11.1 billion to RM12.1 billion, attributed to growth in the corporate and government portfolio.

Total income improved by 1.7% Y-o-Y to RM854.0 million, underpinned by higher NII from CASA growth as well as higher fee income driven by FX and derivative sales.

Group Corporate Banking posted PBT of RM239.6 million in FY2022, significantly higher than the previous year mainly due to lower impairment allowances which reduced from RM522.9 million to RM391.0 million Y-o-Y.

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks <ul style="list-style-type: none"> Loan impairment may have adverse impact on financial performance 	<ul style="list-style-type: none"> Continued to deploy Corporate Task Force to proactively identify early warning signals on high-risk accounts and engage customers at an early stage 	<ul style="list-style-type: none"> Gross impaired loan ratio contained at 2.36% (2021: 2.28%)
Opportunities <ul style="list-style-type: none"> While the economy continued its recovery trajectory post COVID-19, more corporates required financing to capitalise on emerging opportunities. 	<ul style="list-style-type: none"> Focused our growth strategy on targeted sectors with high-growth potential and sustainable business models. Focused on deals that generate higher fee-based income 	<ul style="list-style-type: none"> Recorded 0.9% Y-o-Y growth in loans and assets despite higher loan repayments during the year Overall NOII expanded Y-o-Y by 3.5%

OUTLOOK

We will maintain proactive management of risks in anticipation of the rising trend in the global interest rate regime and continued disruptions in supply chains. We endeavour to maintain performance by focusing on targeted industries with the capacity to grow. Sustainable financing will be a key feature of this strategy, as well as expansion of mid and small cap segments through new-to-bank acquisition strategies to broaden our coverage. We will also continue to capitalise on existing relationships with our clients to meet their financing requirements in a holistic manner.

Improvements and enhancements to the efficiency of our middle office capabilities is an ongoing process, driven by the Group-wide digitalisation strategy. Automation of credit processes coupled with process improvement initiatives enhance customer experience and further streamline our business operations. We will continue to drive ancillary businesses across the Group to grow wallet share and protect asset quality while strengthening our compliance and risk culture.

COMMERCIAL BANKING



In the year under review, we witnessed the economy returning to normal with the transition into the endemic phase of COVID-19. Most of our customers' financial performance and credit ratings have improved in line with the full resumption of economic activities and the reopening of international borders, especially for those in the hospitality sector. However, new challenges emerged from the tightening of global monetary policy arising from inflationary pressure.

Commercial Banking continues to support our customers to weather the new challenges posed by volatile exchange rates, aggressive interest rate hikes, and rising costs and to minimise the impact on business operations and financial performance.

WHAT WE DO

Commercial Banking provides financial services to mid-sized companies that fall between large corporates and SMEs. We offer holistic solutions across a comprehensive suite of products to meet our clients' financial requirements for business growth, leveraging the collective expertise within Group Wholesale Banking. In 2022, we embarked on a new initiative to penetrate underserved listed companies with a market cap of under RM150 million. This is an opportunity for the Group to deliver superior customer service via more defined client segmentation.

	Stakeholder Expectations	What We Did	Value Created
Customers	<ul style="list-style-type: none"> Delivery of holistic financial solutions in customers' best interests Flexibility in loan repayments and repayment assistance options when cash flow is affected 	<ul style="list-style-type: none"> Structured accounts planning with product specialists, identifying areas to support customers' businesses Accelerated growth in identified industries and expansion of regional presence Continued to offer flexible repayment schemes for eligible accounts to alleviate customers' operational and financial challenges 	<ul style="list-style-type: none"> Grew gross loans and assets by 3.2% Granted loan moratorium (<i>Pemerksa & Pemulih</i>) extension to 43% of Commercial Banking customers
Communities	<ul style="list-style-type: none"> Contributions to community development Support for sustainable livelihoods 	<ul style="list-style-type: none"> Promoted sustainable income generation by helping to sell Silent Teddies Bakery (STB) cookies, raising awareness of the social enterprise in the process Supplied renewable energy to STB's workshop through the installation of a 7.59kW solar panel system and a roof upgrade from asbestos to metal deck 	<ul style="list-style-type: none"> Sold 5,159 jars of cookies and raised a net of RM70,117.60 for infrastructure upgrades, including roof and solar panel installation for STB Reduced STB's electricity expenses by approximately 50%
Shareholders and Investors	<ul style="list-style-type: none"> Top-line growth improvement Asset quality management and loan loss provision Promotes/offers Green financing schemes which focuses on health and affordable housing sector 	<ul style="list-style-type: none"> Targeted small and underserved accounts operating in high-growth sectors to increase loan and deposit base Monitored asset quality and set aside appropriate provisions Conducted Enhanced ESG Risk Assessment Form which resulted in increased awareness with clients on the criticality of ESG compliance 	<ul style="list-style-type: none"> Acquired 16 new Public Listed Company (PLC) clients 2022 loan loss provision was better off than previous year by 183%, boosted by provision writebacks Achieved a total of RM306.3 million in new acceptance for ESG-related loans of which RM198.9 million supporting health and affordable housing sector
Regulatory Authorities and Policymakers	<ul style="list-style-type: none"> Support for loan moratorium extension and reduction in accounts under repayment assistance ("RA") 	<ul style="list-style-type: none"> Extended moratorium to eligible accounts while ending the moratorium for others 	<ul style="list-style-type: none"> Significant reduction in accounts under RA, reducing the number of accounts under RA from 36% as at December 2021 to 3% as at December 2022

OUR PERFORMANCE

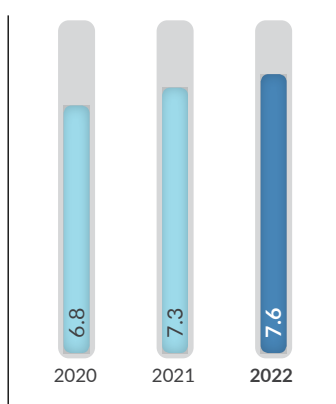
Gross loans and assets recorded a Y-o-Y increase of 3.2% from RM7.3 billion to RM7.6 billion. However, total deposits decreased by 0.9% Y-o-Y to RM6.4 billion due to net outflow from CASA as CASA growth momentum remains challenging, with -4.0% Y-o-Y decline, closing at RM1.4 billion in 2022.

Commercial Banking posted a PBT of RM169.7 million in 2022, 65.8% higher than the previous year, mainly due to lower credit losses. Total income was down Y-o-Y by 1.9%, mainly due to lower fee income.

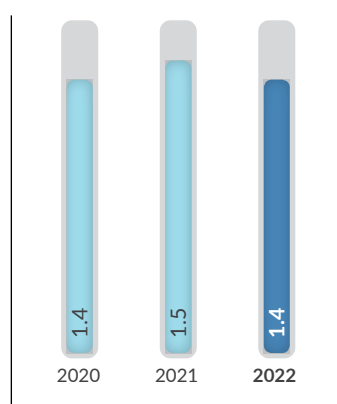
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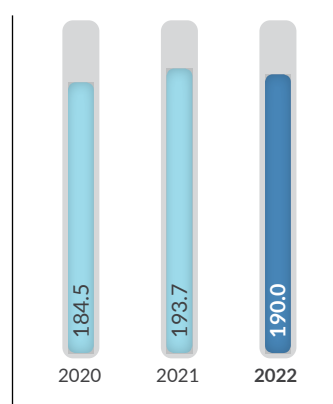
GROSS LOAN & ASSETS
(RM'BILLION)



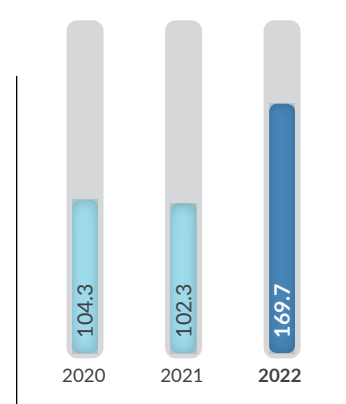
CASA
(RM'BILLION)



TOTAL INCOME
(RM'MILLION)



PBT
(RM'MILLION)



Note: Information above represents domestic business only

AWARDS

The Commercial Banking team was recognised for outstanding service and operational excellence at the RHB Way Ops-X Awards. The annual event rewards the most successful process improvement initiatives in driving operational excellence, such as reducing or eliminating TATs and errors.

RHB Way 2.0 by Service and Operational Excellence Council

- Silver in Category 2 Ops-X 2022

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks	<ul style="list-style-type: none"> • Closely monitored potential high-risk accounts to manage exposure to credit risk • Increased cross-selling efforts and monitored customer staging to minimise provision 	<ul style="list-style-type: none"> • Maintained good asset quality with no additional potential impaired accounts • Increase in PBT of RM169.7 million as compared to RM102.3 million 2021
Opportunities	<ul style="list-style-type: none"> • Intensified client acquisition of listed companies below RM150 million market cap 	<ul style="list-style-type: none"> • Acquired 16 new Public Listed Company ("PLC") clients

OUTLOOK

The global economy is well into the pandemic recovery period, with repayment assistance ending on most accounts. However, new economic challenges have emerged with rapid inflation and consequently the policy response to increase interest rate is seen as a potential trigger for a recession in 2023. We remain vigilant with the possible economic downturn and continue to serve customers in their best interests with the most appropriate solutions. We will continue to proactively engage with and offer assistance to our clients, such as loan restructuring, to ensure their continued viability while protecting our asset quality.

We aim to intensify regional growth outside Klang Valley, targeting underserved small-cap accounts with growth potential. One way to achieve this is to leverage the appointment of GWB Region Heads who possess local knowledge and networks to identify opportunities for business expansion in the region.

We will also focus on several identified high-growth industries, which include renewable energy, affordable housing, waste treatment, healthcare, manufacturing, plantation, mixed development, logistics, and warehouse. Support for certain industries also aligns with the Group's sustainability goals for financial inclusion and carbon neutrality. The planned hiring of specialists with sectorial knowledge and expertise in the identified high-growth industries will enable the delivery of hyper-personalised and quality services.

GROUP TREASURY AND GLOBAL MARKETS



During the year under review, financial market conditions remained unsettled from tightening monetary conditions, underpinned by strong inflationary pressure and rising geo-political risks. Group Treasury and Global Markets (“GTGM”) took this opportunity to address elevated market volatility from pronounced macroeconomic challenges by providing our customers with high-value Treasury products and solutions to navigate the complexities of erratic market trends.

WHAT WE DO

GTGM offers a comprehensive suite of Treasury products and solutions, including FX, Structured Products and Money and Capital Market Instruments, catering to our diverse customers’ funding, hedging, and investment needs. Customer-centricity drives our value proposition, adopting an outside-in approach to developing products and solutions that fulfil customer requirements for seamless and efficient service delivery.

In addition to being customer-centric, we are also responsible for managing RHB Banking Group’s funding and liquidity position. We ensure the Group’s financing and asset growth requirements are prudently and competitively funded, and excess liquidity is optimally invested.

AWARDS

GTGM was recognised for delivering outstanding product and service value to our customers at the Global Banking and Finance Awards 2022 and 12th Annual Treasury & FX Awards 2022.

Global Banking and Finance Awards 2022, GBAF Publication Pte Ltd

- Best Forex Bank Malaysia 2022
- Best Banking Product (RHB Live FX @ Reflex) Malaysia 2022
- Best Multi-Currency Account Malaysia 2022
- Best Islamic Forex Bank Malaysia 2022
- Best Islamic Multi-Currency Account Malaysia 2022

12th Annual Treasury & FX Awards 2022, Alpha Southeast Asia

- Best Corporate Treasury Sales & Structuring Team
- Best FX Bank for Retail Clients

CREATING STAKEHOLDER VALUE

	Stakeholder Expectations	What We Did	Value Created
Customers	<ul style="list-style-type: none"> • Secure and stable Treasury product pricing and distribution platform • Relevant and diverse products and effective solutions for hedging and investment • Competitive pricing and efficient delivery of products and solutions • Exceptional customer experience 	<ul style="list-style-type: none"> • Upgraded our Murex and Reflex platforms to strengthen transaction integrity and efficiency • Enhanced product functionality to include new Treasury products such as collateral and standard initial margining • Increased depth and breadth of our investment product suite for both Retail and Wholesale Markets to include Quanto Autocallable and Islamic principal-protected Structured Investments Linked to Indices (“SILX”) • Launched Crude Palm Oil (“CPO”) derivatives to expand commodity hedging solutions • Reinforced digitisation of Treasury products to channel FX transactions on RHB Live FX @ Reflex with seamless access to Multi Currency Account (“MCA”) deposit rates 	<ul style="list-style-type: none"> • Efficient and consistent system performance and enhanced functionality leading to economies of scale • Broader opportunities for customers to enhance investment returns through equity options and exposure to Shariah-compliant indices • Bespoke hedging solutions within the CPO value chain from seed to shelf for Corporate and Commercial customers • FX volume transacted on RHB Live FX @ Reflex increased 119% Y-o-Y
Communities	<ul style="list-style-type: none"> • Contributions to community development through the RHB Touch Hearts initiative 	<ul style="list-style-type: none"> • Reduced energy costs and increased environmental awareness with the sponsorship of 5.5kW of solar panels worth RM35,122 for Persatuan Kebajikan Anak Yatim dan Miskin Al-Munirah in Klang, Selangor 	<ul style="list-style-type: none"> • Renewable energy generation for the home (which houses 35 orphans) for the next 25 years, saving approximately RM3,600 on electricity costs per year

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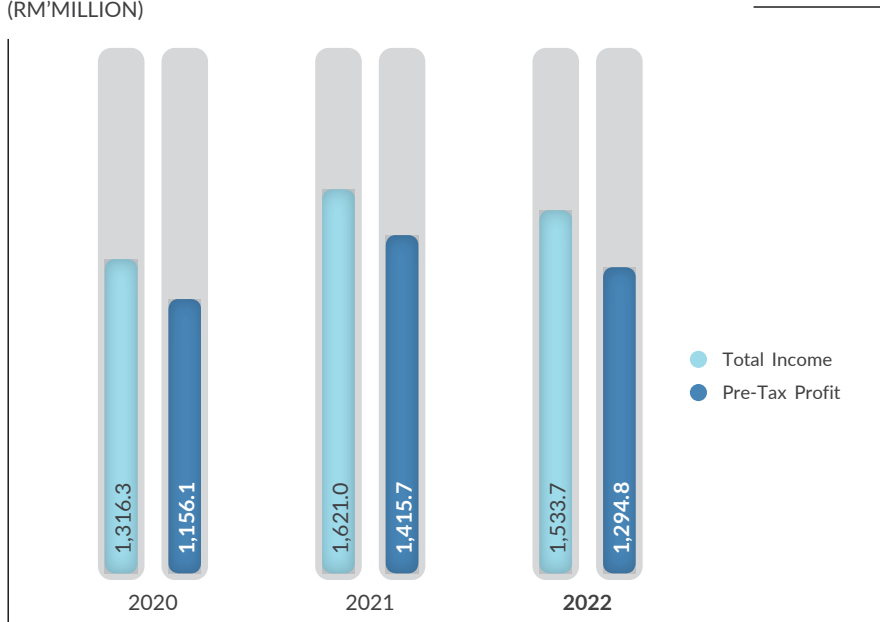
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	Stakeholder Expectations	What We Did	Value Created
Shareholders and Investors SI	<ul style="list-style-type: none"> Secure competitive funding to ensure liquidity requirements are efficiently fulfilled Prudent Fixed Income Investment to mitigate elevated credit and market risk and safeguard capital base Champion ESG initiatives across the Group to achieve Market Leadership for financing, investment and advisory services 	<ul style="list-style-type: none"> Rebalanced and increased funding diversity through repurchase agreements, long-term bilateral borrowing, securitisation of assets, and currency swaps Proactive portfolio management incorporating yield curve and retrospective market analysis to insulate against higher market volatility Increase ESG Capital Market size through the distribution of Sustainable Funding and Investment products 	<ul style="list-style-type: none"> Effective funding and investment strategies resulting in an increase in Net Interest Margin ("NIM") to 2.24% Successfully distributed RM1.57 billion Sustainable Debt Securities and RM440 million Structured Investments referencing ESG equities
Regulatory Authorities & Policymakers RA	<ul style="list-style-type: none"> Implementation of Collateral and Standard Initial Margin Model ("SIMM") modules 	<ul style="list-style-type: none"> Implemented Collateral and SIMM modules to comply with global regulatory requirements on initial margin and variation margins for non-centrally cleared Over-the-Counter ("OTC") derivative products 	<ul style="list-style-type: none"> Increased price discovery on OTC derivatives through trading with foreign counterparties Automation of collateral and margin computation resulting in enhanced operational efficiency

OUR PERFORMANCE

GTGM TOTAL INCOME AND PRE-TAX PROFIT GROWTH OVER TIME (RM'MILLION)



Note: Information above represents domestic business only

GTGM recorded a pre-tax profit of RM1,294.8 million, representing a decline of 8.5% from the previous year. This was mainly due to a decrease of 9.9% in Net Interest Income ("NII"), partially offset by an increase of 10.2% in Non-Interest Income ("NOII").

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks <ul style="list-style-type: none"> Political uncertainty, rising inflation and tightening monetary conditions affect liquidity costs and the performance of our investment and trading portfolio 	<ul style="list-style-type: none"> Enhanced funding diversity to secure competitive funding Improved AC yield and rebalanced FVOCI portfolio by introducing higher convexity to mitigate against the adverse effect of higher trending interest rates Delta trading focus to cater to a climate of higher market risk and capitalise on elevated market volatility 	<ul style="list-style-type: none"> Group Funding revenue rose by 30.3% Y-o-Y AC portfolio yield improved by 2.3% and FVOCI reserves were contained within expected thresholds NOII contributed 63% of Global Markets revenue
Opportunities <ul style="list-style-type: none"> Increased customer demand for interest rate and commodity hedging requirements Stronger cross-border trade supported by expansion in both exports and imports 	<ul style="list-style-type: none"> Increased derivative product offerings such as Interest Rate Swaps ("IRS") and Cross Currency Swaps ("CCS") to cater to higher hedging requirements and Callable Range Accruals ("CRA") to meet growing demand for safe and high yield investments Helped customers navigate highly volatile FX markets through informative financial market commentaries and competitive real-time rates on both OTC and RHB Live FX @ Reflex platforms 	<ul style="list-style-type: none"> Derivatives income to total sales revenue grew 9.1% Y-o-Y FX volume grew 32% Y-o-Y

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OUTLOOK

We expect the headwinds in financial markets to prevail in 2023, stemming from global monetary policy tightening. This will be further underscored by structural shifts in the global supply chain as a result of heightened geopolitical stress and China's reopening following COVID-19 lockdowns. We are cognisant of the potentially profound impact to financial markets from the expected global monetary policy pivot and remain consistent in applying prudent and disciplined liquidity as well as trading and investment strategies. Risks will be identified, evaluated, and managed effectively to safeguard stakeholders. In addition, we will refresh our focus to expand digital integration of wealth products onto Murex and FINIQ.

In the year ahead, we will capitalise on higher customer mobility as regional economic activity strengthens by leveraging on our overseas presence in ASEAN countries to grow cross-border remittance transactions. We are committed to advancing ESG and will play an integral role in the Group's TWP24 sustainability aspirations to mobilise RM20 billion in sustainable financial services by 2026.

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GROUP ASSET MANAGEMENT



As the health of global assets gradually strengthens, Group Asset Management (“GAM”) remains committed to continuous sustainable value creation for our stakeholders. In 2022, we introduced new sustainable and innovative products to cater to evolving economic and industry trends, investment outlook, and overall market developments. With the support of our reputable major shareholders and highly experienced Board members, we dedicated our focus to creating sustainable value and building our business through various distribution channels under the leadership of our Group Managing Director. To further drive our ESG commitments in line with the Group’s sustainability agenda, a GAM ESG Committee was established to oversee and enhance matters related to sustainable investment.

WHAT WE DO

GAM, inclusive of its Trustee business, aspires to be an outstanding fund house with ASEAN expertise covering the conventional and Islamic space. We offer a comprehensive suite of product solutions, including unit trust funds and mandates in various asset classes covering equity, mixed asset, fixed income, and money market. We invest domestically, regionally, and globally with customisation according to individual and business needs. Our trustee services cover estate planning, will writing, private trust, REITs, corporate trust services, and escrow account management.

AWARDS

GAM was recognised by several prominent awarding bodies for our work in the equity, balanced, and fixed income categories. We strive to maintain industry-wide recognition for the quality of our products and services while consistently delivering financial value to our customers and investors.

Alpha Southeast Asia Fund Management Awards 2022

- Best Asset Manager in Balanced Fund

EPF External Fund Managers Awards for Fixed Income Mandate

- Best 3-Year ROI Domestic Fixed Income Fund Manager 2021

FSMOne Recommended Unit Trust Awards 2022/2023 – Balanced (Global)

- RHB Global Allocation Fund

FSMOne Recommended Unit Trust Awards 2021/2022 – Single Country Equity

- RHB Big Cap China Enterprise Fund

FSMOne Recommended Unit Trust Awards 2021/2022 – Fixed Income (Emerging Markets)

- RHB Emerging Markets Bond Fund

The Edge Malaysia ESG Awards 2022

- RHB Global Impact Fund

The Asset Benchmark

- The Most Astute Investors in Asian Local Currency Bonds for 2022 (Ranked Highly Commended)
- Top Investment House in Asian Local Currency Bonds for 2022 (Ranked 4th)

The Top 25 ASEAN Selectors, awarded by Citywire Asia on 27th October 2022

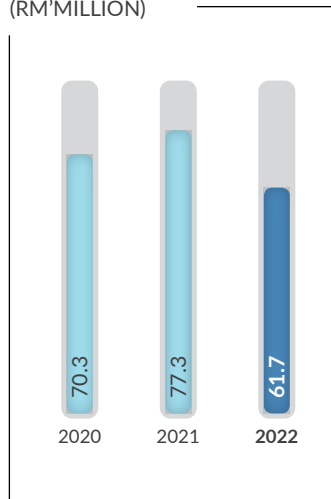
CREATING STAKEHOLDER VALUE

	Stakeholder Expectations	What We Did	Value Created
C Customers	<ul style="list-style-type: none"> Digital and value-added services that enhance customer satisfaction and the customer journey 	<ul style="list-style-type: none"> Launched RHBAM MyInvest, an online client portal with multiple investor-friendly features for clients and potential investors Successfully shifted more transactions online, allowing customers and investors to access their accounts at any time at their convenience Introduced four new ETF funds ranging from conservative, moderate, aggressive and equity under the RHB MyInvest Core Portfolio Series, exclusively available for MyInvest 	<ul style="list-style-type: none"> Customer access to a wide range of conventional and Shariah-compliant investments locally and globally, as well as electronic account opening and transactions on the RHBAM MyInvest portal Clients and investors are empowered to make sound and informed investment decisions A secure and hassle-free wealth creation journey for clients and investors
EM Employees	<ul style="list-style-type: none"> Employee productivity and efficiency in the workplace 	<ul style="list-style-type: none"> Introduced Agile way of working in line with RHB Banking Group's aspiration to reshape the working landscape Conducted various staff engagement activities covering our tribes, service partners, circles and squads under the Agile framework 	<ul style="list-style-type: none"> Sales and productivity improved by 18% post-Agile adoption Processes productivity improved by 47% post-Agile adoption
O Communities	<ul style="list-style-type: none"> Meaningful social impact to the community while conserving the environment through waste management 	<ul style="list-style-type: none"> Established a one-year fabric recycling programme with bin placements in strategic locations, as well as material donated to underprivileged communities or for upcycling 	<ul style="list-style-type: none"> A total of 1,711kg of fabric collected and distributed to underprivileged communities in Malaysia, while the rest was exported to developing nations for the production of industrial wiping cloths and biofuel
S Shareholders and Investors	<ul style="list-style-type: none"> Effective oversight by the various committees within GAM i.e. Board of Directors, Audit Committee, and Investment 	<ul style="list-style-type: none"> Maintained regular BOD and committee oversight of reporting, performance management, and other related matters which are deemed relevant to assess business progress, financial standing, governance and risk management 	<ul style="list-style-type: none"> BOD governance serves as the basis for business resilience
RA Regulatory Authorities and Policymakers	<ul style="list-style-type: none"> Support of regulators' aspiration to transition to a sustainable and low-carbon economy 	<ul style="list-style-type: none"> Actively participated in the Joint Committee on Climate Change ("JC3") between BNM and SC, and participated in the SRI Taxonomy Consultation Paper by SC Became a signatory to the Malaysian Code of Institutional Investors ("MCI") and laid out our ESG disclosure and compliance statement in line with its six Principles Launched two new ESG funds (RHB Climate Change Solutions Fund and RHB ESG Multi Asset Fund) in support of the nation's ESG push Provided feedback, knowledge, and shared expertise to tackle various issues related to climate risk and sustainable finance within financial institutions 	<ul style="list-style-type: none"> Alignment with regulatory expectations and contributions to the development of local practices

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PBT
(RM'MILLION)



OUR PERFORMANCE

GAM Malaysia recorded PBT of RM61.7 million in 2022, lower than the previous year's PBT of RM77.3 million mainly due to the challenging market conditions in 2022 with soft investors' sentiment, high redemptions, and significant decline in local and regional market performances.

Notes: GAM Malaysia refers to its Conventional & Islamic business in Malaysia and its trustee business.

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks <ul style="list-style-type: none"> Loss of relevance due to inability to keep pace with digitalisation in the market 	<ul style="list-style-type: none"> Accelerated the development of our client online platform, MyInvest, to enable investments and various transaction types to be performed electronically 	<ul style="list-style-type: none"> Successfully rolled out the MyInvest online platform to the public on 29 November 2022
Opportunities <ul style="list-style-type: none"> The growing trend towards sustainable and impact investing 	<ul style="list-style-type: none"> Established our in-house ESG investment framework Incorporated our ESG research and analysis process on internal stock scoring selection through the identification of high-risk sectors and engagement with investee companies on sustainable business practices Established an assessment on Environmental Risk Management for sectors that are impacted by climate risk and those that are classified as environmental risk sensitive 	<ul style="list-style-type: none"> Launched a total of seven ESG funds since late 2020 in addition to our existing suite of products, in line with the increasing demand for sustainable investing

OUTLOOK

As we approach 2023, Group Asset Management will continue to prioritise exceptional customer service solutions for our prospective clients, who consist of retail and institutional investors. This is in line with the Group's TWP24 aspirations that anchor customer centricity as a key growth driver.

Under the direction of GAM's ESG Committee, we will continue to expand our product suite to include more ESG thematic and impact investing funds aligned with SRI principles. This will be supported by regular engagements with our investee companies on ESG-related matters, and continuous enhancements to our ESG investment framework.



WENDYTING
 Managing Director,
 Group International
 Business

GROUP INTERNATIONAL BUSINESS

In a year of significant global uncertainty, RHB Bank’s regional businesses successfully navigated a challenging year in which the economics of operations adjusted to rising inflation and interest rates as well as heightened geopolitical tension to deliver outstanding revenue and profit growth.

GIB achieved higher operating profit before allowances and profit before tax by 18.3% and 243.7% respectively. Gross loans grew 17.5% YoY while customer deposits grew 12.4%. GIL ratio continued to improve from 2.5% in 2021 to 1.8%.

In line with Group’s direction, GIB has moved holistically towards ESG integration, bearing in mind the different levels of ESG financing in each of our markets. In Singapore, where the market is matured for ESG developments, ESG-related financing and deals grew by 250% to \$566 million mainly in energy efficiency & development sectors. In Cambodia, a scheme amounting to USD400k was launched for Business Women with Credit Guarantee Corporation of Cambodia (“CGCC”) to support financing for women owned businesses. In Thailand, ESG financing amounting to THB1,127 million has been rolled out across renewable energy and energy efficiency sectors, as well as Social Bonds. The other countries continued to actively pursue ESG-related opportunities to support this area of focus.

WHAT WE DO

Group International Business (“GIB”) manages our overseas Commercial Banking operations. Our portfolio and solutions span across five countries namely Singapore, Cambodia, Thailand, Laos, and Brunei, supported closely by expertise from our Malaysian headquarters. GIB works toward the Group’s aspiration to build an integrated overseas business that leverages localised networks to serve the needs of our diverse customers and clients through our established presence where solutions such as loans, deposits, wealth management, trade financing, regions premier banking, Banca and SME lending are provided such that we continue to improve, stay relevant and competitive to our valued clients.

AWARDS

Singapore

Singapore Police Anti-Scam Centre (ASC)

- Outstanding Community Partnership Award (Organisation)

Human Resource Excellence Awards

- Excellence in CSR Strategy (Silver)

Loyalty & Engagement Awards

- Best Loyalty Programme – Finance & Insurance (Silver)

Employee Experience Awards

- Best HR Communication Strategy (Bronze)

PR Awards 2022

- Best COVID-19 Related Campaign (Bronze)

Cambodia

International Finance Awards

- Most Innovative New Financial Literacy Mobile App (goWave by RHB Lite app)
- Most Innovative Retail Bank

Loyalty & Engagement Awards

- HR Asia Best Companies to work for 2022
- HR Asia Diversity, Equity & Inclusion

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	Stakeholder Expectations	What We Did	Value Created
CU Customers	<p>Singapore</p> <ul style="list-style-type: none"> Seamless and secure transactions Banking convenience through digital channels <p>Cambodia</p> <ul style="list-style-type: none"> Seamless and consistent brand interactions across multiple channels Delivery of superior products and services that meet their demands in the marketplace <p>Thailand</p> <ul style="list-style-type: none"> Continuity of repayment assistance <p>Laos</p> <ul style="list-style-type: none"> Repayment abilities after the end of the moratorium Suitable products catering to corporate loan customers <p>Brunei</p> <ul style="list-style-type: none"> Convenient access to banking services 	<p>Singapore</p> <ul style="list-style-type: none"> Expanded Mobile Banking capabilities for account opening Enhanced fraud monitoring capabilities and security measures Introduced e-Statement retrieval as well as Bulk Payment and Recurring Payment features Upgraded MEPS payment format to comply with industry standards <p>Cambodia</p> <ul style="list-style-type: none"> Launched goWave by RHB, the new financial literacy app Launched the RHB Debit Card for Visa & MasterCard Partnered with Dai-Ichi Life Insurance to offer Bancassurance solutions Collaborated with Credit Guarantee Corporation of Cambodia ("CGCC") on a Credit Guarantee programme called Business Recovery Guarantee Scheme ("BRGS") <p>Thailand</p> <ul style="list-style-type: none"> Extended assistance and advice for continuous repayment assistance by assessing the impact on customers' financial conditions <p>Laos</p> <ul style="list-style-type: none"> Provided Rescheduling & Restructuring (R&R) to eligible customers Actively approached highly-rated public listed companies <p>Brunei</p> <ul style="list-style-type: none"> Capitalised on new and bigger premises from the relocation exercises effective 9 May 2022 	<p>Singapore</p> <ul style="list-style-type: none"> Customer Satisfaction Score of 4.5 out of 5, with "Ease of Use", "Response Time", and "Look and Feel" being the top 3 comments Improved accessibility of our offerings Effective risk management in tandem with growing transaction volumes Useful customer-centric features that enhance the customer experience such as self-enabled password change for Inactive Flex users Relevant services such as bulk payment and recurring payment that are up-to-date with industry standards and the business environment Improved value proposition for customers to adopt digital channels <p>Cambodia</p> <ul style="list-style-type: none"> Improved financial literacy among approximately 5,000 active users Availability of Debit Card services to approximately 8,000 cardholders Assisted recovering businesses with USD5.6 million in loans <p>Thailand</p> <ul style="list-style-type: none"> Customers' extension of repayment assistance Extension of repayment assistance for eligible customers <p>Laos</p> <ul style="list-style-type: none"> Assisted individual and non-individual customers to navigate the difficult situation during and post-pandemic Extended LAK82.5 billion in new corporate loans to public-listed companies <p>Brunei</p> <ul style="list-style-type: none"> Improved the convenience of making deposits by the set-up of Safe Deposit Boxes Installed two new Cash Deposit Machines ("CDM") to enhance the banking experience for customers
EM Employees	<p>Singapore</p> <ul style="list-style-type: none"> Opportunities for lifelong learning <p>Cambodia</p> <ul style="list-style-type: none"> Continuous learning and talent development 	<p>Singapore</p> <ul style="list-style-type: none"> Formalised WFH schemes Offered LinkedIn Learning for all staff to promote continuous learning <p>Cambodia</p> <ul style="list-style-type: none"> Strengthened hiring process and turnaround time as well as talent branding Rolled out MyCareer@RHB to promote internal movement/career move options for employees Collaborated with Institute of Banking & Finance ("IBF") in providing learning & development opportunities Enforced strategic manpower planning towards an optimum size for business performance 	<p>Singapore</p> <ul style="list-style-type: none"> Workplace flexibility Lifelong learning that increased engagement and talent retention, with LinkedIn Learner reaching above the 50th percentile in engagement against benchmark <p>Cambodia</p> <ul style="list-style-type: none"> Increase of manpower strength to drive business's growth Ongoing upskilling and reskilling of employees for human resource development to prepare for future landscape of work

	Stakeholder Expectations	What We Did	Value Created
	<p>Thailand</p> <ul style="list-style-type: none"> Acclimatisation to the new working environment <p>Laos</p> <ul style="list-style-type: none"> WFH arrangement Strategic capacity-building <p>Brunei</p> <ul style="list-style-type: none"> WFH arrangement 	<p>Thailand</p> <ul style="list-style-type: none"> Formalised WFH schemes <p>Laos</p> <ul style="list-style-type: none"> Formalised WFH schemes Enhanced talent pool through strategic hiring and training <p>Brunei</p> <ul style="list-style-type: none"> Formalised WFH schemes 	<p>Thailand</p> <ul style="list-style-type: none"> Workplace flexibility <p>Laos</p> <ul style="list-style-type: none"> Workplace flexibility Actively engage suitably-qualified staff who are ready for cross-departmental transfer <p>Brunei</p> <ul style="list-style-type: none"> Workplace flexibility
CO Communities	<p>Singapore</p> <ul style="list-style-type: none"> Environmental awareness and climate-conscious lending/financing Giving back to the community <p>Cambodia</p> <ul style="list-style-type: none"> Support for local entrepreneurs from marginalised communities <p>Laos</p> <ul style="list-style-type: none"> ESG lending/financing <p>Brunei</p> <ul style="list-style-type: none"> Community service and contribution to social development 	<p>Singapore</p> <ul style="list-style-type: none"> Launched an ESG-related bilateral fund linked to the Group's sustainability performance targets Educated senior citizens on cybersecurity amidst rising scams in Singapore <p>Cambodia</p> <ul style="list-style-type: none"> Partnered with Credit Guarantee Corporation of Cambodia ("CGCC") to provide Credit Guarantee for women entrepreneurs under the Women Entrepreneurs Guarantee Scheme ("WEGS") <p>Laos</p> <ul style="list-style-type: none"> Identified potential customers for ESG financing and advocating for ESG to the Laotian business community <p>Brunei</p> <ul style="list-style-type: none"> Donated B\$1,900 to 19 orphans during RHB's Thanksgiving Doa Selamat in January 2022 	<p>Singapore</p> <ul style="list-style-type: none"> Empowered 50 elderly folks with basic cybersecurity knowledge to guard against scams <p>Cambodia</p> <ul style="list-style-type: none"> Disbursed more than US\$400,000 in loans to eligible women entrepreneurs <p>Laos</p> <ul style="list-style-type: none"> Explored potential contributions the business can make to the development of the ESG financing market <p>Brunei</p> <ul style="list-style-type: none"> Spread festive cheer and contributed approximately B\$2,000 in donations to support the orphanage
RA Regulatory Authorities and Policymakers	<ul style="list-style-type: none"> Compliance with the relevant regulations Close working relationship and active management of risks Physical visits for assessment and supervision 	<ul style="list-style-type: none"> Provided sound and concise advice on regulations to stakeholders Performed focused reviews across the Bank to check that key regulatory reporting and other operational processes are aligned with regulatory expectations Protected the Bank from being a conduit for illicit activities/funds through timely advisory and active mitigation, monitoring and reporting of Money Laundering/Terrorist Financing risks throughout the lifecycle of customer relationships with the bank 	<p>Singapore</p> <ul style="list-style-type: none"> Timely reporting of suspicious activities to enable monitoring by the authorities through our Suspicious Transaction Reporting ("STR") filings <p>Cambodia</p> <ul style="list-style-type: none"> Compliance with the National Bank of Cambodia's regulations to achieve price stability and maintain public confidence in the banking system <p>Thailand</p> <ul style="list-style-type: none"> Collaboration with the Bank of Thailand on their requirements for sustainable alliance <p>Laos</p> <ul style="list-style-type: none"> Compliance with the Bank of Laos' initiatives to support domestic money market <p>Brunei</p> <ul style="list-style-type: none"> Collaboration with Brunei Darussalam Central Bank on their regulatory requirements to ensure compliance

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OUR PERFORMANCE*

Singapore	2021	2022	% Growth
Gross loans (SGD'm)	6,297	7,033	11.7%
Customers Deposits (SGD'm)	6,687	7,276	8.8%
Operating Profit Before Allowances (SGD'm)	34.0	54.3	59.8%
Profit Before Tax ("PBT") (SGD'm)	19.3	94.2	389.3%
Gross Impaired Loan ("GIL") (%)	1.9%	0.9%	-1.1%
ESG Financing/Investment (SGD'm)	210	566	169.5%

Cambodia	2021	2022	% Growth
Gross loans (USD'm)	679	757	11.4%
Customers Deposits (USD'm)	571	471	-17.6%
Operating Profit Before Allowances (USD'm)	17.5	14.3	-18.6%
Profit Before Tax ("PBT") (USD'm)	19.3	16.6	-13.8%
Gross Impaired Loan ("GIL") (%)	4.5%	7.0%	2.5%
ESG Financing/Investment (USD'm)	16.0	16.2	1.3%

Thailand	2021	2022	% Growth
Gross loans (THB'm)	12,029	12,820	6.6%
Customers Deposits (THB'm)	11,140	11,897	7.6%
Operating Profit Before Allowances (THB'm)	150.4	230.5	53.3%
Profit Before Tax ("PBT") (THB'm)	80.7	166.7	106.6%
Gross Impaired Loan ("GIL") (%)	5.5%	4.3%	-1.2%
ESG Financing/Investment (THB'm)	1,407	1,797	27.7%

Laos	2021	2022	% Growth
Gross loans (LAK'b)	320	289	-9.7%
Customers Deposits (LAK'b)	65	77	19.1%
Operating Profit Before Allowances (LAK'b)	13.5	10.4	-22.8%
Profit Before Tax ("PBT") (LAK'b)	-130.7	67.6	151.8%
Gross Impaired Loan ("GIL") (%)	2.5%	5.1%	2.6%

Brunei	2021	2022	% Growth
Gross loans (BND'm)	60	59	-0.5%
Customers Deposits (BND'm)	141	148	4.7%
Operating Profit Before Allowances (BND'm)	1.5	1.4	-7.5%
Profit Before Tax ("PBT") (BND'm)	1.5	1.5	-2.8%
Gross Impaired Loan ("GIL") (%)	2.6%	3.1%	0.5%

* Note: Based on internal reporting

Our Singapore operations registered robust loans and deposits growth of 11.7% and 8.8% respectively. Strong net interest income growth resulted in notable improvement in operating profit before allowances and PBT performances by 59.8% and 389.3% respectively. GIL ratio further improved following substantial recoveries and write-down of impaired assets. There was continued focus on driving ESG-related deals, which is reflected in the more than 2-fold increase in this area, mainly from green financing and treasury bonds.

While gross loans of our Cambodia operations grew 11.4%, deposits, operating profit before allowances and PBT were impacted by higher cost of funds from the rising interest rate environment and higher overhead. GIL ratio increased following the expiry of a large number of COVID-19 related repayment assistances. On the other hand, Cambodia made positive traction towards recording more ESG-related deals.

Our Thailand operations grew its loans and deposits by 6.6% and 7.6% respectively, mainly via commercial and SME segments. Operating profit before allowances improved by THB80.2m, which directly translated into PBT improvement of over 100%. Our Thailand operations continued to contribute to the Group's ESG target with its ESG growth of over 25%.

The decline in gross loan from Laos operation is in line with our strategic direction to focus on asset quality over growth. This is reflected in the turnaround in PBT through reversal of expected credit losses. Meanwhile, deposits grew 19.1%.

Contraction in the country's GDP impacted the loans growth and GIL ratio of our Brunei operations. On a positive note, deposits grew 4.7%.

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes	
Risks	<p>Singapore</p> <ul style="list-style-type: none"> Disruptions due to COVID-19 variants resulting in potential lockdowns and border closures Uncertain economic climate and instability in Europe Increased competition for liquidity within the market such as Fixed Deposit campaigns Competition for talents from local and new digital banks <p>Cambodia</p> <ul style="list-style-type: none"> Increased competition resulting in pressure on margins Stiff competition in the labour market <p>Thailand</p> <ul style="list-style-type: none"> Disruptions in business operations due to the COVID-19 pandemic, i.e. lockdowns, staff quarantine due to infection and close contact tracing. <p>Laos</p> <ul style="list-style-type: none"> New COVID-19 variants pose the threat of potential lockdowns and border closures Uncertain global economic situation The downgrade of the country's risk rating by Moody and Fitch, which was subsequently withdrawn Competition for talent in the banking industry <p>Brunei</p> <ul style="list-style-type: none"> Disruptions due to COVID-19 variants resulting in potential lockdowns and border closures Negative GDP Growth in Brunei for three consecutive quarters Low oil prices created pressure for the oil-dependent economy Pricing competition from local banks 	<p>Singapore</p> <ul style="list-style-type: none"> Formalised WFH schemes for employees Proactive R&R for targeted customers requiring assistance Benchmarked deposit campaigns against the market Improved retention plans for key positions <p>Cambodia</p> <ul style="list-style-type: none"> Differentiated value proposition through automation, new digital solutions, and excellent customer service Implemented holistic changes that leverage technology and process improvements Enhanced employer branding to remain competitive in the labour market Strengthened employee engagement to retain staff <p>Thailand</p> <ul style="list-style-type: none"> Implemented split operations at alternate site, WFH arrangement, and COVID-19 prevention SOP in the office and branches to ensure customer and staff safety <p>Laos</p> <ul style="list-style-type: none"> Formalised WFH schemes for employees Proactive R&R for customers requiring assistance Focused on developing business in Laos' growing industries Offered attractive remuneration packages for high-performing staff <p>Brunei</p> <ul style="list-style-type: none"> Formalised WFH schemes for employees Focused efforts on our top 70 clients to deepen our relationships 	<p>Singapore</p> <ul style="list-style-type: none"> 60% of eligible staff worked from home by enabling VPN so that staff can remain productive remotely Asset quality remained resilient Increased deposits by 9% Y-o-Y mainly from Fixed Deposits <p>Cambodia</p> <ul style="list-style-type: none"> Reduced TAT for mortgage and SME loans to 48-hour approval timeframe RHB Bank is the first bank to launch the most secure CSS EMV Chip card in Cambodia to combat counterfeit attempts Reduced average waiting time from 5 to 3 minutes for OTC service Reduced staff attrition rate from 18.7% to 15.4%, which is lower than industry average <p>Thailand</p> <ul style="list-style-type: none"> Maintained consistent daily branch operations throughout the COVID-19 period, ensuring minimal disruptions to service delivery <p>Laos</p> <ul style="list-style-type: none"> Increased deposits growth to 19.1% <p>Brunei</p> <ul style="list-style-type: none"> Ensured productivity with technical support for WFH employees such as the provision of computer tablets and laptops Maintained asset quality resilience
	Opportunities	<p>Singapore</p> <ul style="list-style-type: none"> Stable balance sheet and portfolio resilience to encourage greater investment flow <p>Cambodia</p> <ul style="list-style-type: none"> Growing urban population and rising incomes to grow potential customer base <p>Thailand</p> <ul style="list-style-type: none"> Incorporate ESG and sustainability in the Bank's future business strategy <p>Laos</p> <ul style="list-style-type: none"> Growth of commercial customers for loans and deposits <p>Brunei</p> <ul style="list-style-type: none"> Room for NII growth 	<p>Singapore</p> <ul style="list-style-type: none"> Embarked on SME Commercial Transformation Optimised IT operating model <p>Cambodia</p> <ul style="list-style-type: none"> Focused on growing the mortgage and Premier Banking business <p>Thailand</p> <ul style="list-style-type: none"> Set viable business targets for ESG-related lending and investing and monitored progress <p>Laos</p> <ul style="list-style-type: none"> Continuous enhancements of digital solutions to enable mobile and digital banking for customers <p>Brunei</p> <ul style="list-style-type: none"> Offered new service to customers with Cash Deposit Machine (CDM)

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Overall, Group International Business adopts a hyper-focused stance to its target segments, supported by a localised approach while drawing on the expertise of the Malaysia operations. The country businesses are collectively forming a cohesive strategy that supports the Group's TWP24 aspiration to build an integrated overseas business.

Singapore

For 2023, Singapore business will focus on growing Corporate & Investment Banking ("CIB"), Commercial SME segment, and our regional wealth hub. Our goals are set on positive loan growth and profitability, while maintaining current asset quality. We will continue to grow the corporate and commercial SME space via secured lending and trade, and the regional wealth sector via our cross-border network, targeting high net-worth individual segments between Malaysia and Singapore. In particular, we will work to transform our Commercial SME delivery capabilities by developing PayNow Corporate and a loan origination and credit workflow system. We will also continue to grow deals and investments related to ESG to support a sustainable Singapore.

Cambodia

RHB Cambodia is set to roll out the SME Programme Lending as a lever to achieve greater loan growth. We also target to grow our SME customer base and transactions by enhancing Reflex with new features, including collaborating with a cloud accounting service provider. Strict credit discipline and focused loan growth will be enforced to maintain asset quality. In 2023, RHB Cambodia will source for companies that develop environmental friendly technology such as renewable energies to drive sustainable financing with the guidance of the Group Sustainability Framework. In terms of growing deposits, Cambodia will focus on five key pillars, build dedicated deposit sales team, rewards and engagement through campaigns, business proposition, seamless on-boarding experience through digital platform, driving transaction accounts via payroll and distribution efficiency. In addition to that, Cambodia will also focus on growing young adult customer base through goWave (RHB Mobile App) besides using goWave as a platform to spread financial inclusion and improve financial literacy for the public.

Thailand

In Thailand, we will maintain a well-balanced mix of loan portfolios targeting the Commercial and SME customer segment. Collateralised lending plays a crucial role in our 2023 strategic priorities while we aim to grow market share via lending capacity expansion. Our focus will be on strengthening the CIB initiative, improving asset quality, and continuing to grow ESG related deals as part of strategy. Our stance is the prudent onboarding of new customers from winning industries as well as enhancements to digital platforms.

Laos

The Laos operations will enhance its core banking system and infrastructure, driving automation of internal processes to accelerate the speed of service to customers. Our business transformation will be underscored by adopting new technology relevant to the local market, such as the launch of mobile banking solutions. We will continue to focus on disciplined loan growth with priority in preserving asset quality and profitability.

Brunei

Our Brunei business will prioritise the growth of its top 70 clients. We look forward to the contribution from the Safe Deposit Boxes towards the NII of the Bank, and we will continue to explore growth opportunities in this area. Growth will be driven by targeting big-ticket items to generate positive loan growth and profitability while maintaining current asset quality for long-term business sustainability. The commercial SME space remains a key segment for secured lending and trade. Regional wealth growth shall be facilitated via cross-border deals, especially in acquiring foreign properties in Malaysia through financing in RHB Bank Brunei.



DATO' ADISSADIKIN ALI
Managing Director,
RHB Islamic Bank

GROUP SHARIAH BUSINESS

The priorities for Group Shariah Business are focused on strengthening our core business in the government, health, and higher education ecosystems as well as expanding opportunities within the Retail, SME and Islamic Wealth Management (“IWM”) space. Incorporation of Value-Based Intermediation (“VBI”) into our core business is ongoing, in line with the Group’s sustainability aspirations.

WHAT WE DO

As RHB Banking Group’s Islamic banking arm, RHB Islamic Bank provides a wide range of Shariah-compliant financial services under Group Community Banking and Group Wholesale Banking, forming a supportive pillar for the Group’s other core businesses. Our products and services cut across the Commercial Banking (covering retail, SME, corporate and commercial business segments) and Investment Banking business streams. Our customer touchpoint network is one of the largest in the country, with services available at all RHB Islamic Bank branches as well as RHB Bank branches, totaling 208 locations nationwide, with the added convenience of Self Service Terminals along with mobile and internet banking.

We aspire to be the preferred Value-based Shariah financial services provider for the Malaysian market, a position that directly supports RHB Bank’s aspiration to Be Everyone’s Primary Bank.

VALUE-BASED INTERMEDIATION

In alignment with the Group’s focus on ESG and Bank Negara Malaysia’s push for Value-Based Intermediation (“VBI”), RHB Islamic is ramping up its VBI efforts in selected sectors that have the potential to create a lasting impact. While we continue to serve customers from the business as usual sectors, we have given special emphasis to the public service sectors particularly in relation to higher education, and healthcare-related projects.

Our VBI framework translates into the RHB Harmoni ecosystem that incorporates a well-balanced business approach encompassing Social Harmoni (People), Ocean Harmoni (Planet) and Business Harmoni (Profit).

SR For further details about the RHB Harmoni ecosystem, refer to page 67 of the RHB Sustainability Report 2022. [🔍](#)

AWARDS

At the Global Islamic Finance Summit 2022, RHB Islamic Bank received the Global Islamic Finance Awards (“GIFA”) Most Innovative Islamic Financial Product 2022 award for our RHB Islamic Multi Currency Account Islamic (“RHB MCA-i”) product. The product enables our customers, both residents and non-residents, to manage a diversified portfolio in Malaysia with the option to convert between multiple currencies. The Shariah-compliant product demonstrates our commitment to bridging gaps in the Islamic financial market.

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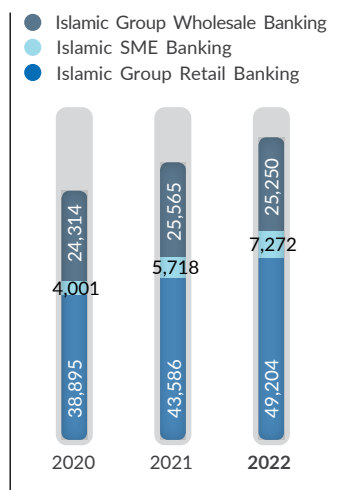
RHB Islamic Bank recorded a pre-tax profit of RM1,139.4 million, a 10.6% increase from 2021 mainly due to higher net fund based income and the absence of modification loss, supported by forward looking strategy and approach while keeping tabs on operational cost.

Our performance in the three key areas of TWP24 (Financing & Deposits, Wealth, and Capital Markets) recorded positive growth overall. Total Islamic deposits grew to RM78.2 billion and CASA to RM11.9 billion respectively. The Islamic business contributed a significant 44.6% to the Group's domestic financing. Total Islamic Wealth AUM increased to RM661 million, expanding 6.5% Y-o-Y.

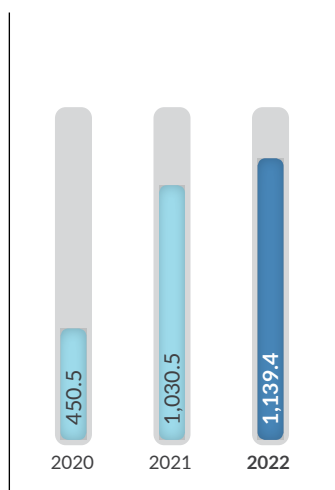
FY2022 Performance

Financial Performance	Value (in RM or %)
Pre-tax Profit	RM1,139.4 million
ROE	13.0%
Cost-to-income ratio	30.7%
Gross financing	RM81.7 billion (9.2% growth)
Islamic contribution to Group domestic financing asset	44.6%
Total Deposits	RM78.2 billion
CASA	RM11.9 billion
Zakat Distributed to State Zakat Authorities	RM6 million

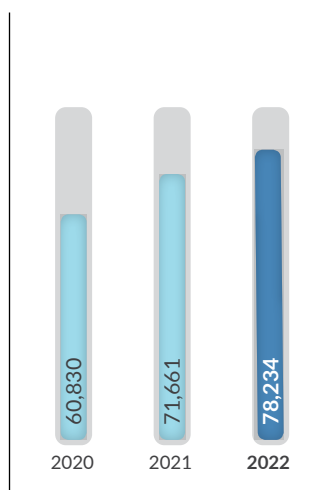
GROSS FINANCING (RM'MILLION)



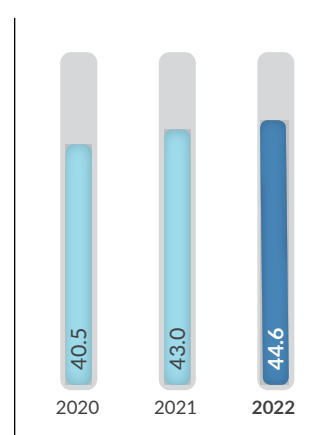
PRE-TAX PROFIT (RM'MILLION)



CUSTOMER'S DEPOSITS (RM'MILLION)



ISLAMIC CONTRIBUTION TO GROUP DOMESTIC FINANCING (%)



CREATING STAKEHOLDER VALUE

	Stakeholder Expectations	What We Did	Value Created
CU Customers	<ul style="list-style-type: none"> Better access to information on products and services offered 	<ul style="list-style-type: none"> Provided access to Islamic wealth advisory and personalised product recommendations through the creation of the first Islamic Wealth Management ("IWM") portal in the local Islamic banking industry 	<ul style="list-style-type: none"> Disseminated IWM information and understanding to a broader audience via digital platform Received 7,264 visits since the IWM Portal's soft launch in October 2022
EM Communities	<ul style="list-style-type: none"> Impactful community development and sustainability projects that are aligned with Shariah concepts 	<ul style="list-style-type: none"> Channeled funds to support VBI-aligned community initiatives particularly in the areas of infrastructure development, education, environmental conservation, and social empowerment 	<ul style="list-style-type: none"> Provided clean water supply to Maahad Tahfiz Baitul Hasanah, Pekan Pahang which benefitted 60 students, seven teachers and other staff Disbursed RM61,250 to 126 students through the Back-To-School ("BTS") and Road-To-Campus ("RTC") programmes with the objectives of providing a one-off monetary contribution to eligible children of RHB staff, who are currently in primary and secondary school, as well as those who are currently pursuing their tertiary education at universities in Malaysia Students from 16 public universities received disbursements amounting to RM180,000 Channeled RM21,373 in 2022 to University Malaysia Terengganu's ("UMT") marine conservation projects, bringing the total contribution since 2020 to RM55,844.8 20 asnaf families gained direct access to Harvest Bakery Centre located at Taman Desa Asnaf, Perlis that is equipped with tools and equipment worth RM60,000, focusing in nurturing their entrepreneurial and baking skills 41 asnaf participants completed the B40 Empowerment Strategy - Be Your Own Boss ("Best-BYOB") programme, a collaboration with Pernas, and commenced their own pre-franchise business Collaborated with Lembaga Zakat Negeri Kedah to donate one steel-tipper lorry and two agricultural drones worth nearly RM271,000 to Smart Sawah Berskala Besar Asnaf (Smart SBB Asnaf) Project to support B40 community farmers which impacted approximately 70 asnaf participants under this project
EM Employees	<ul style="list-style-type: none"> Clear communications on new and existing Islamic products Opportunity to gain knowledge in Islamic finance 	<ul style="list-style-type: none"> Conducted five live online sessions on the latest topics related to Islamic finance Disseminated five bulletins on the latest topics related to Islamic finance to RHB employees Trained and certified three qualified Shariah Wealth Advisors while another 18 are Islamic still undergoing training 	<ul style="list-style-type: none"> Provided access to the latest information on Islamic finance to employees through the AskShariah workplace posting Created the opportunity to directly learn from experts on Shariah products and topics, including the Group Shariah Committee Members Provided professional certification opportunities to elevate the qualifications of the Wealth advisory team. Upon completing their certification, these 21 Shariah Wealth Advisors will be able to service all regions nationwide including Sabah and Sarawak
RA Regulatory Authorities & Policymakers	<ul style="list-style-type: none"> Adherence to the requirements and policies set by Shariah Advisory Council ("SAC") Integration of VBI into the business 	<ul style="list-style-type: none"> Enforced compliance with RHB's internal process to secure approvals from BNM on Islamic products Contributed to the development of VBI by introducing solutions based on the RHB Harmoni ecosystem 	<ul style="list-style-type: none"> Incorporated features that support Islamic social finance through donations (sadaqah, zakat and waqaf) within RHB Islamic's products and services. This enables RHB Islamic's customers to reach out and contribute to societal causes

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KEY RISKS & OPPORTUNITIES

Risks	What We Did	Outcomes
<ul style="list-style-type: none"> Continued disruptions in business operations from new COVID-19 variants Slow recovery among customers and impaired profitability across all business segments 	<ul style="list-style-type: none"> Implemented a permanent hybrid working arrangements in line with Group HR guidelines During the early recovery period from the pandemic, focus was on further developing the Bank's digital platform to reach out the customers 	<ul style="list-style-type: none"> Continued to ensure the safety and welfare of staff by implementing comprehensive COVID-19 SOPs such as distribution of face masks and office sanitisation Enabled cashless payment terminals at hospitals and clinics under the Ministry of Health ("MOH") The digital focus led to the soft launch of Malaysia's first comprehensive and informative IWM portal
<ul style="list-style-type: none"> Potential for growth in the IWM business segment Integration of VBI to complement rising ESG demand in financial markets Penetration of the higher education market 	<ul style="list-style-type: none"> Soft launched the IWM Portal Realigned VBI tenets across our business by gradually incorporating its principles into the profit-generation model Facilitated the implementation of a cashless campus environment with ease of replication and scalability 	<ul style="list-style-type: none"> The soft launch created initial attraction in terms of visits of the IWM Portal Terminalised hospitals and clinics in conjunction with the Ministry of Health (MOH) Created a cashless campus ecosystem in support of the government's push for a cashless economy and to enable digital transactions

OUTLOOK

Notwithstanding the anticipated challenging external and domestic business environment in 2023, RHB Islamic Bank will continue to focus on improving its leadership position in selected markets and product segments. Our priorities for 2023 will revolve around initiatives that future-proof the Bank's business within identified segments, as well as growing the SME and expanding its IWM businesses.

In the government and education ecosystems, we target to capitalise on captive segments in higher education, focusing on new business acquisition in deposits and financing from Institutes of Higher Learning ("IHL") and their high-potential retail opportunities.

In the healthcare ecosystem, efforts are underway to deepen our share of wallet via digitalisation of financial services within the public health sector. These efforts target bigger healthcare institutions nationwide, ensuring readiness for full digital implementation by the government.

In the IWM business, we are expanding our product range to boost our Takaful advisory offerings with knowledgeable advisory personnel and enhanced IWM portal capabilities.

RHB Islamic Bank fully supports the Group's sustainability agenda through VBI alignment. We will increase VBI integration across our businesses through a social finance strategy that focuses on community wellbeing initiatives and the expansion of our RHB Harmoni ecosystem.



OLIVER TAN CHUAN LI
Managing Director,
RHB Insurance

GROUP INSURANCE

Group Insurance demonstrated resilience as it navigated through a challenging 2022 amid constant uncertainty post normalisation in the operating environment.

We continued to make steady progress in delivering financial results and remained focused in strengthening relationships with our customers, providing holistic assistance to weather through this period.

Group Insurance maintained its strong track record of more than 10% in ROE. This steadfast performance is against the backdrop of an unprecedented market conditions of exacerbated flood events, heightened claims severity and stiff pricing as a result of tariff liberalisation.

Nevertheless, we remained focused on scaling RHB Insurance’s digital capabilities to better serve, deliver convenience and create better value for our customers. We constantly interact with customers to better understand their requirements and innovate products to fulfill their protection needs; for instance being among the first insurers in the country to include medical coverage for COVID-19 in Travel PA product.

WHAT WE DO

RHB Insurance provides general insurance for our retail and corporate customers. We offer a comprehensive range of general insurance and other products for better protection and peace of mind. Customers have easy and convenient access to service and support through our network of 15 nationwide branches, over 751 Pos Malaysia branches and more than 2,200 authorised agent offices.

OUR PERFORMANCE

RHB Insurance maintained its position as the 12th largest insurer in Malaysia and ranked among the Top 10 insurers for Fire, Personal Accident and Motor.

Financial Indicators	Amount/Percentage
Pre-Tax Profit	RM89.3 million
Combined ratio	88.2%
Claim ratio	54.8%
ROE	13.2%
Gross Written Premium (GWP)	RM738.2 million

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Business Review

	Stakeholder Expectations	What We Did	Value Created
Customers	<ul style="list-style-type: none"> Convenient and seamless customer experience Continuous engagement and communication Up-to-date and relevant products and services 	<ul style="list-style-type: none"> Conducted feedback survey among auto workshop customers and identified areas of concern to address based on the feedback collected 	<ul style="list-style-type: none"> Out of 434 feedbacks, two of the most common pain points were identified and resolved. To ensure the highest service and efficiency, RHB Insurance launched a panel workshop management programme and developed KPIs for the workshops to be rated by customers
Employees	<ul style="list-style-type: none"> Engagement at work and empowerment to take control of their productivity levels 	<ul style="list-style-type: none"> Continued our Agile way of working journey through enhanced collaboration across the company to overcome the issues of working in silos 	<ul style="list-style-type: none"> Improved cross-team collaboration, communication, and engagement on daily tasks Reduced product launch turnaround time since 500 employees of RHB Insurance adopted Agile
Communities	<ul style="list-style-type: none"> Overflow of landfill and concerns about waste management issues Financial support to maintain NGO operations General wellbeing of the residents of the NGO centre COVID-19 financial assistance 	<ul style="list-style-type: none"> Organised a beach clean-up at Pantai Morib Baru as part of the RHB Touch Hearts programme in conjunction with Majlis Perbandaran Kuala Langat and MyClean Beach Raised funds for Buddhist Tzu-Chi Lumba Kuda Environmental Protection Education Centre, SPCA Sandakan, and Persatuan Kebajikan Masyarakat OKU Johor & Kiwanis Batu Pahat Club Continued to offer financial support to COVID-19 victims through the Cov-Aid Premium Instalment Scheme & Cov-Aid Premium Relief Scheme, which relieves policyholders of up to 50% and allows payment instalments 	<ul style="list-style-type: none"> Collected a total of 181kg of rubbish, leaving Pantai Morib Baru clean and free of hazards for public enjoyment Raised ESG awareness among our employees on proper waste segregation at home Donated a total of RM3,500 to the NGOs in support of their operations >RM1,009,000 in Cov-Aid gross premiums was converted into instalments RM1,405,000 in Cov-Aid Premium Relief Scheme was granted
Shareholders	<ul style="list-style-type: none"> Enhanced business profitability 	<ul style="list-style-type: none"> Promoted close collaboration between business pillars and our Singapore and Cambodia businesses Launched <i>Perlindungan Tenang</i> product in line with the government's <i>Perlindungan Tenang</i> vouchers that cater to underserved segments and drive financial inclusion and literacy 	<ul style="list-style-type: none"> Maintained ROE of above 10%
Regulatory Authorities and Policymakers	<ul style="list-style-type: none"> Contribution to national agendas Compliance with regulations Sufficient liquidity Strong governance and business integrity Protection of customer data 	<ul style="list-style-type: none"> Implemented operating cost controls guidelines and risk controls for adequate risk management/ data protection Monitored risks through three lines of defence (risk, compliance, and internal audit), supported by a proper governance structure and monthly meetings to ensure accountability Practised effective monitoring controls that enable swift rebalancing of portfolio mix for investment as well as insurance 	<ul style="list-style-type: none"> Achieved a well-managed loss ratio and furnished regulators with timely updates on risk and compliance status

KEY RISKS & OPPORTUNITIES

	What We Did	Outcomes
Risks <ul style="list-style-type: none"> Stiff pricing competition in the fire and motor segments arising from the liberalisation of tariff Tightening regulations with emphasis on Operating Cost Controls guidelines led to challenges in driving producers' performance 	<ul style="list-style-type: none"> Refined prices and product benefits to remain competitive in the market Established a clear digital transformation roadmap within the business to diversify distribution capability 	<ul style="list-style-type: none"> Redefined product proposition and market positioning, such as being among the first insurers in the country to include medical coverage for COVID-19 in Travel PA product Established a clear digital transformation roadmap to improve customer journey and digital purchase and claims experience
Opportunities <ul style="list-style-type: none"> Emerging insurance technologies such as fintech arising from the pandemic 	<ul style="list-style-type: none"> Formed next-gen partnerships with technology players in extending our insurance sales to their platforms 	<ul style="list-style-type: none"> Gained material GWP/revenue contribution from these new partners/ platforms through which we offer our products

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OUTLOOK

Group Insurance will remain focused on creating positive impacts for our customers and on our commitment to finding innovative ways to better serve our customers' protection needs. We plan to launch simple-to-understand insurance products to narrow the protection gap of individual customers. We are also developing a one-stop insurance solution for the convenience of business customers. This will lead to growth in the selected lines of business and greater market share.

In addition to that, we will focus on improving the customer experience by investing in and adopting technology solutions. Soon, we will roll out digital roadside assistance, providing our customers even more peace of mind. This is further supported by a wider selection of insurance solutions on digital channels to help customers manage the financial impact of unexpected events.

Beyond this, we are always inventing ways to improve employee efficiency by introducing effective processes and enhanced systems. Group Insurance's aspiration is to integrate ESG into our way of doing business.

Sustainability Journey

In FY2022, the Group embarked on Phase 2 of RHB's Sustainability Journey, anchored against the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), which is aligned to the Group 3-year (2022-2024) Strategy (TWP24). While TWP24 is a 3-year corporate strategy, our Sustainability Strategy & Roadmap focuses on a longer term approach which guides us on our Sustainability journey over the next five years to 2026, in view of our material sustainability matters that the Group needs to focus on in regards to the environmental, social and governance spectrum.

Our 5-year Strategy & Roadmap is anchored against three core pillars, one climate sub-pillar and eight focus areas, towards achieving our aspirations:

- Support sustainable development by mobilising RM20 billion in sustainable financial services by 2026
- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve carbon neutral operations by 2030 and develop pathway to net zero by 2050

Remained a constituent of the **FTSE4Good Bursa Malaysia Index**

Rated **Top 25%** by ESG Ratings among public listed companies in FTSE Bursa Malaysia EMAS Index

Scored 3.9 and 74th percentile in FTSE4Good Bursa Malaysia Index

FTSE4Good Bursa Malaysia Index

S&P Global ESG Score

Improved the S&P Global ESG scoring from 47 to 49

Maintained **AA rating (Leader)** in MSCI ESG Ratings

MSCI ESG Ratings

CORE PILLARS

01	PILLAR ONE: ...Driving Sustainable & Responsible Finance
02	PILLAR TWO: ...Embedding Good Practices
03	PILLAR THREE: ...Enriching & Empowering Communities

GUIDELINES AND STANDARDS

This Report complies with Bursa Malaysia's Main Market Listing Requirements and has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021. The GRI Content Index can be found on pages 132 to 137 of RHB Bank's Sustainability Report 2022.

We also benchmark against the following ESG standards, frameworks and ratings:

- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- United Nations Sustainable Development Goals
- Recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)
- Greenhouse Gas (GHG) Protocol: Corporate Accounting and Reporting Standard
- S&P Global ESG Ratings
- FTSE Russell's ESG Ratings
- MSCI ESG Ratings



SUSTAINABILITY STRATEGY & ROADMAP

RHB Group's 5-Year (2022-2026) Sustainability Strategy & Roadmap underlines the Group's focus and commitment to the sustainability and climate agenda.

Sustainability Purpose
To be a sustainably responsible financial services provider by promoting sustainable and inclusive growth and nurturing customers, employees and communities, while upholding good governance to create value.

Our aspirations

- Support sustainable development by mobilising RM20 billion in sustainable financial services by 2026
- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve carbon neutral operations by 2030 & Develop Pathway to Net Zero by 2050



SUSTAINABLE & RESPONSIBLE FINANCE

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth

FOCUS AREAS

- **Sustainable Financial Services**
Create positive impacts through our lending, capital markets, wealth management, deposits, investment, asset management and insurance businesses
- **Financial Inclusion**
Promote financial inclusion* by providing access to financial products and services to targeted individuals (*students, youth, new to workforce, the underserved*) and businesses (*SMEs, microenterprises, etc.*)
- **Advancing SMEs Towards Sustainable Business Practices**
Nurture and support SMEs in their journey towards building a sustainable business

** Provision of affordable and quality financial products and services*




EMBEDDING GOOD PRACTICES

Foster responsible practices and nurture a sustainable culture within our organisation

FOCUS AREAS

- **Ethics & Conduct**
Uphold integrity, ethics and compliance through robust policies and practices
- **People & Workplace**
Promote employee development and nurture a fair, diverse, and inclusive workforce
- **Sustainable Supply Chain**
Promote responsible and sustainable practices across the Group's supply chain




ENRICHING & EMPOWERING COMMUNITIES

Create long-term positive impacts on the communities, focusing on nurturing children and young adults

FOCUS AREAS


- **Nurturing Future Generations**
Promote growth and resilience in children and young adults through holistic learning and self-development programmes
- **Empowering Communities**
Improve the lives of vulnerable & underserved segments of the community through meaningful community engagement initiatives which includes capacity building and skills development programmes

PATHWAY TO A CLIMATE RESILIENT FUTURE



CARBON NEUTRAL OPERATIONS BY 2030

- Reduce operational (own) carbon emissions



PATHWAY TO NET ZERO TO REDUCE FINANCED EMISSIONS* BY 2050

- Integrate climate-related risks into risk management approach
- Climate change adaptation and mitigation opportunities

** GHGs emissions associated with RHB Group's business activities*



GOVERNANCE

- Robust sustainability and climate governance across the Group to drive decision-making and provide appropriate oversight of sustainability



DATA & TECHNOLOGY

- Leverage data points and technology for monitoring and reporting to ensure reliability, credibility and trust



HUMAN CAPITAL & TRAINING

- Attract, retain and develop people with the right skill sets and capabilities to support the Group's sustainability agenda



PARTNERSHIP & ADVOCACY

- Build trusted partnerships and continuously advocate for and nurture others towards sustainable practices and low carbon practices

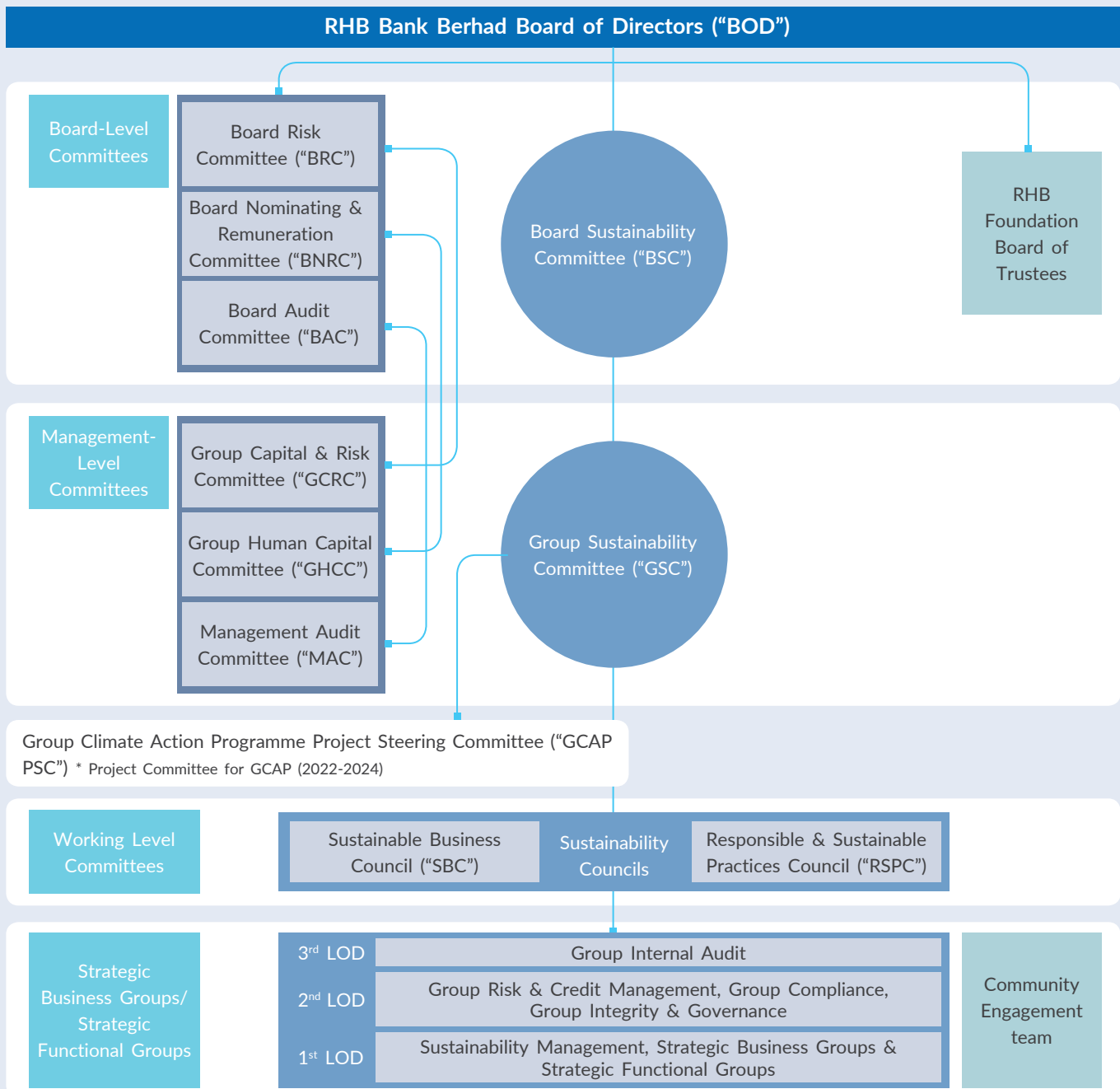
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Sustainability Governance

Robust governance will be key to ensuring effective execution of our Sustainability Strategy and Roadmap, managing stakeholders’ expectations, building organisational capability and in ensuring that we seize the growth opportunities brought about by the transition to low-carbon economy and the shift to sustainable practices.

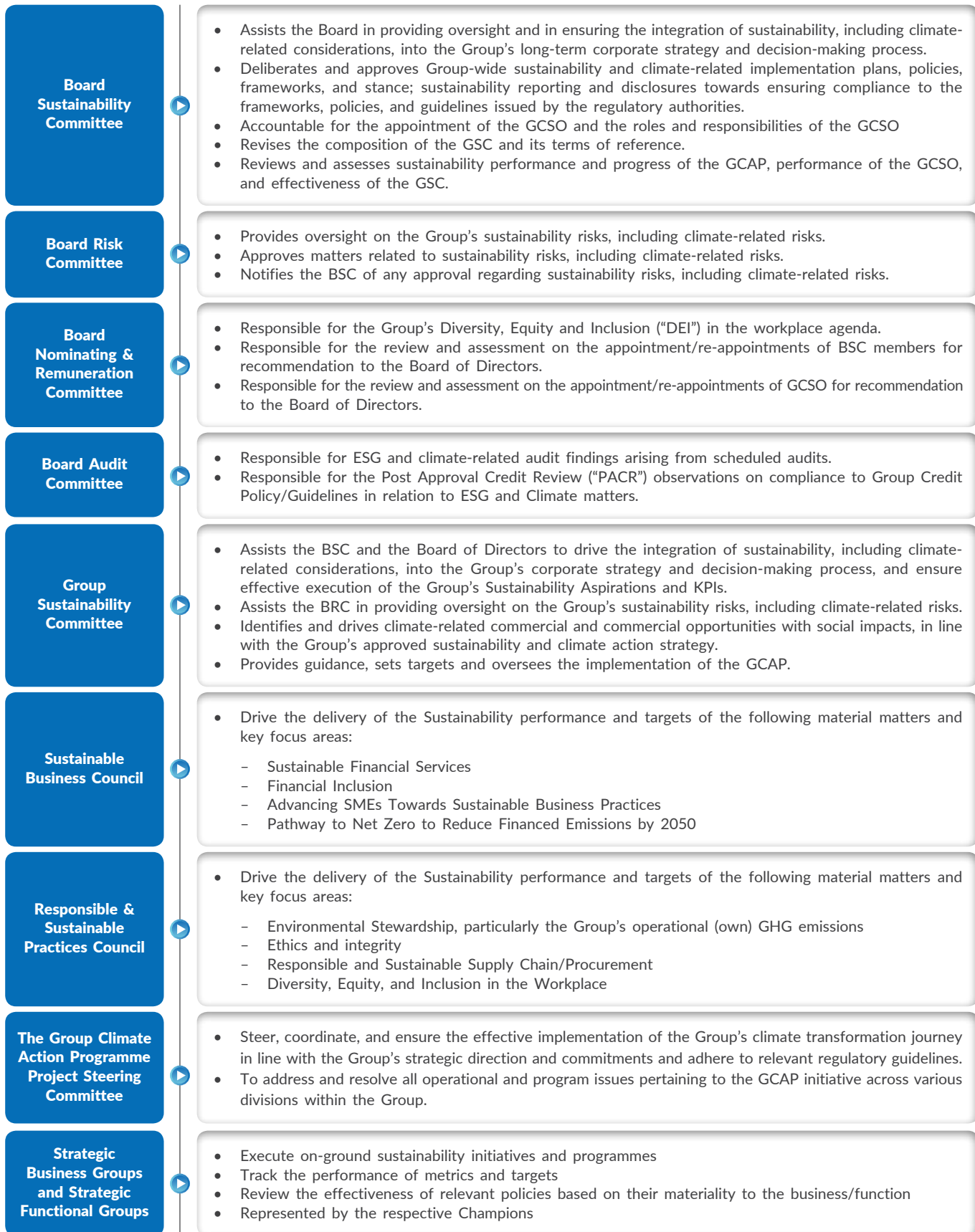
RHB Banking Group’s Sustainability Governance structure is continuously enhanced to be in line with international best practices and to respond to increasing expectations from investors, customers and other stakeholders as sustainability integration continue to grow in priority and complexity.

The Board of Directors remains the highest governing body in providing the strategic direction and oversight of the Group Sustainability Strategy and Roadmap, which includes climate-related strategy.




Roles and Responsibilities

The Group's Board and Management Committees and councils were each formed to fulfil specific mandates that advance our sustainability aspirations. The scope of key roles and responsibilities are detailed below.



The GSC convened five times in FY2022, while the BSC which was established in August 2022, held two meetings in the said financial year. The Board of Directors receives progress updates on the Group sustainability and climate strategy, including achievements against the Group's KPIs on a quarterly basis.

SR Refer to page 28 in the Sustainability Report. 

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Sustainability Risk Management

We recognise that sustainability risks will potentially impact financial performance and business continuity. Sustainability and climate risks are managed both at the Group-level and business level. The Group sets the overall risk appetite and determines action plans as well as targets while allowing room for localisation by regional teams and business segments.



Sustainability and climate risks considerations have been included as part of the Group's Material Risk Assessment ("MRA") exercise, where a comprehensive process is conducted to assess the sustainability risks and climate risks associated to the Group's (including its business entities) business and operations. As part of the exercise, the Group assesses the action plans to address the identified material sustainability and climate risks. The MRA exercise for sustainability and climate risks is also subjected to semi-annual review by the Group Chief Sustainability and Communications Officer ("GCSO") and by the Group Senior Management.

Sustainability and climate risks have also been integrated into our credit assessment and approval process. Our approach includes enhancing our Credit Policy, developing an ESG Risk assessment tool for the purpose of assessing and evaluating the non-retail portfolio. The Group has also embarked on our Group Climate Action Programme to enhance RHB's climate risk management practices and build expertise in managing climate-related risk, which includes integrating Bank Negara Malaysia Climate Change and Principle Based Taxonomy (BNM CCPT) into our risk management process. For further details on how the Group manages sustainability and climate-related risks, please refer to the Driving Sustainable & Responsible Finance chapter of the Sustainability Report 2022.

Sustainability Thought Leadership

RHB Banking Group continues to actively participate in industry discussions, sharing knowledge and good banking and sustainability practices with industry leaders. We are members of 46 industry associations across the ASEAN region, and a member of four Committees/Sub-Committees that relate to Sustainability and Climate Change. We continue to contribute in promoting and building knowledge on good sustainability practices by engaging with investors, customers, business partners and key stakeholders, participating in industry forums and conferences as well as leading events and partnerships.

External/Industry Engagement and Memberships	Our Contributions
Member, Association Bank of Malaysia (“ABM”) ESG Council.	Promote and drive Sustainable practices across commercial banking industry in Malaysia.
Member, Bank Negara Malaysia’s Value-Based Intermediation.	Participated in the Value-Based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Working Group for sectoral guide development.
Member of Main Committee, Joint Committee on Climate Change (“JC3”). Working Group Member, JC3 Sub-Committee 3 for Product and Innovation.	A collective action to advance Malaysian financial sector’s response towards managing climate risks.
Investee, EPF Sustainable Investment Policies.	Compliance with EPF Sustainable Investment Policies as part of EPF’s journey towards becoming a sustainable investor with targets of (i) to have a fully ESG compliant portfolio by 2030; and (ii) climate-neutral portfolio by 2050.
Annual Credit Rating Review with Credit Rating Agencies.	Actively participating in transparent dialogue with credit rating agencies on annual basis to update and highlight the material ESG governance, strategy, targets, risks and opportunities to the business.
Analyst Briefings.	Engaging analysts as well as fund managers and investors on the progress and development of ESG and sustainable financing.

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SR Refer to page 33 in the Sustainability Report. 🔍

Sustainability-Related Policies & Guidelines

In performing our day to day business and operations and in managing sustainability material matters we are guided by key internal policies, frameworks, processes and guidelines as well as rules, regulations and practice notes issued by regulatory authorities that govern our operations. Listed below are the relevant policies, frameworks and guidelines which form part of the Group's Intellectual Capital, that governs the management approaches, supported by a transparent due diligence process.

Material Matters	Policies & Guidelines
ERM ESG Risk Management	<ul style="list-style-type: none"> • Group Credit Policy (which includes Prohibited Credits) • Group Risk Management Framework • Group Retail Credit Guidelines • ESG Risk Assessment tool • MAS Guidelines on Environmental Risk Management (Banks)*
CC Climate Change	<ul style="list-style-type: none"> • No Deforestation, No New Peat and No Exploitation (NDPE) Policy • Coal Stance • Group ESG Eligible Business Activities Guidelines • ESG Risk Assessment tool
SF Sustainable Financial Services	<ul style="list-style-type: none"> • Group ESG Eligible Business Activities Guidelines • BNM Climate Change and Principle-based Taxonomy* • Guidelines on Unit Trust Funds by Securities Commission* • Guidelines on Sustainable & Responsible Investment Funds by Securities Commission* • Sukuk: <ul style="list-style-type: none"> – Sustainable and Responsible Investment Sukuk Framework* • Bond: <ul style="list-style-type: none"> – ASEAN Green Bond Standards – ASEAN Sustainability Bond Standards – Green Bond Principles (International Capital Market Association) – Sustainability Bond Guidelines (International Capital Market Association) – Climate Bonds Standards
CM Customer Relationship Management	<ul style="list-style-type: none"> • RHB Group Complaint Management Policy • BNM Complaints Handling Guidelines* • BNM Fair Treatment of Financial Consumers Policy Guidelines* • BNM Guidelines on Management of Customer Information and Permitted Disclosures*
FC Fair Treatment of Financial Consumers	<ul style="list-style-type: none"> • RHB Group Complaint Management Policy • BNM Complaints Handling Guidelines* • BNM Fair Treatment of Financial Consumers Policy Guidelines*
FI Financial Inclusion	<ul style="list-style-type: none"> • Approval Letter from the Ministry of Education - RHB's Academic Excellence & Financial Literacy Programmes* • Group Sustainability & Communications Operations Manual
DI Digitalisation and Investment in Technology	<ul style="list-style-type: none"> • Risk Management in Technology RMIT Framework • Technology And Cyber Risk Guideline

Material Matters	Policies & Guidelines
GG Good Business Governance	<ul style="list-style-type: none"> • Group Fraud Risk Management Policy • Group Anti-Money Laundering & Counter Financing of Terrorism Policy • Orderly & Fair Market Policy • Group Corporate Sponsorship & Donation Policy • Group Chinese Wall and Insider Trading Policy • Group Whistleblowing Policy • Group Fit & Proper Policy • Group Corporate Sponsorship & Donation Policy • Group Related Party Transactions Policy • Group Anti-Bribery & Corruption Policy • Group Gifts & Hospitality Guideline • Organisational Anti-Corruption Plan (“OACP”) • NED’s Remuneration Framework & Policy • BNM Policy Document on Corporate Governance • Bursa Main Market Listing Requirements • Malaysian Code on Corporate Governance • Bursa Malaysia Corporate Governance Guide 4th edition
DC Data Protection and Cybersecurity	<ul style="list-style-type: none"> • Technology and Cyber Risk Management Policy and Guideline • Group Data and Information Management Framework and Policy • Group Guidelines on the Personal Data Protection Act 2010
TM Talent Management	<ul style="list-style-type: none"> • Code of Ethics • Group Disciplinary Policy • Group Learning & Development Policy • Group Performance Management • Group Total Rewards Policy
EL Employee Learning and Development	<ul style="list-style-type: none"> • Internal Group Learning And Development-related guidelines and manuals • Group Sustainability Capability Building Framework
EW Employee Health, Safety and Wellness	<ul style="list-style-type: none"> • Group Occupational Safety and Health Policy
DO Diversity and Equal Opportunity	<ul style="list-style-type: none"> • Boardroom Diversity Policy • Group Fit & Proper Policy • Group Recruitment Policy • Group Manpower Planning Guidelines
ES Environmental Stewardship	<ul style="list-style-type: none"> • The GHG Protocol Corporate Accounting and Reporting Standard (revised edition)
SP Sustainable Supply Chain	<ul style="list-style-type: none"> • Group Procurement Guideline
CE Community Empowerment and Enrichment	<ul style="list-style-type: none"> • Guidelines for Approval of Director General of Inland Revenue Under Subsection 44(6) of the Income Tax Act 1967* • Approval Letter from the Ministry of Education - RHB’s Academic Excellence & Financial Literacy Programmes* • Group Corporate Sponsorship & Donation Policy • Group Sustainability & Communications Operations Manual • RHB Foundation Operations Manual

*Issued by regulators/authorities

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RHB's Climate-related Financial Disclosures

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") GUIDE FOR MALAYSIAN FINANCIAL INSTITUTIONS - BASIC & STRETCH*

Recommendations from the TCFD Application Guide

Basic Recommendations		
Recommendations	Descriptions	Reference
Governance		
G1 Board Oversight of Sustainability and Climate-related Matters	<ul style="list-style-type: none"> Disclose nature of Board oversight and accountability with respect to sustainability and climate-related matters, risks and opportunities 	SR Sustainability Governance (Pages 26-31), RHB's Climate Related Financial Disclosures (Pages 36-37)
G2 Sustainability Governance Structure Including Climate-Related Matters at the Management Level	<ul style="list-style-type: none"> Disclose management-level sustainability governance structure as well as processes for sustainability and climate-related matters, including accountability, responsibility, and decision making. 	SR Sustainability Governance (Pages 26-31), RHB's Climate Related Financial Disclosures (Pages 36-37)
G4 Sustainability and Climate-Related Training**	<ul style="list-style-type: none"> Disclose the initiatives undertaken and training programmes conducted annually to build capacity of Board members and management on sustainability issues including climate-related matters. 	SR Sustainability Governance (Page 30), RHB's Climate Related Financial Disclosures (Page 37)
G5 Sustainability and Climate related Discussions in Board Meetings	<ul style="list-style-type: none"> Disclose the frequency of Board meetings per year in which sustainability and climate-related issues have been a substantive agenda item, and a summary of key climate-related issues and initiatives deliberated. 	SR Sustainability Governance (Page 29), RHB's Climate Related Financial Disclosures (Pages 36-37)
G6 Sustainability/Climate-linked Remuneration	<ul style="list-style-type: none"> Link Board of Director (excluding independent directors) and top management remuneration to performance against specified sustainability and climate-related targets. 	SR Sustainability Governance (Page 31)
Strategy		
S1 Identification of Climate-related Risks and Opportunities**	<ul style="list-style-type: none"> Review the financial institution's strategy to identify and disclose climate-related risks and opportunities over the short-, medium-, and long- term. 	SR RHB's Climate Related Financial Disclosures (Pages 37-38)
S3 Strategy and Risk Appetite on Climate Change-Related Risks and Sustainability Measures**	<ul style="list-style-type: none"> Disclose strategy and appetite with regard to climate-related risks and opportunities, and the measures towards sustainability in the financial institution's business activities. 	SR RHB's Climate Related Financial Disclosures (Pages 37-38)
Risk Management		
R1 Process for Identifying and Assessing Climate-related Risks**	<ul style="list-style-type: none"> Disclose how the financial institution looks at existing and emerging regulatory requirements related to climate change and other relevant factors. Disclose the risk classification framework(s) used. Disclose the risk terminology definitions used or existing risk classification framework(s) used. 	SR RHB's Climate Related Financial Disclosures (Pages 38-39)
R2 Process for Managing Climate-related Risks**	<ul style="list-style-type: none"> Disclose the financial institution's risk management processes and controls. Disclose the identities of individual(s)/function(s) responsible for oversight of climate-related risks and its relationship with the business operations. 	SR RHB's Climate Related Financial Disclosures (Pages 38-39)

Recommendations	Descriptions	Reference
Metrics and Targets		
M1 Key Climate-related Metrics**	<ul style="list-style-type: none"> GHG Emissions: Disclose historical and current GHG Emissions (Example unit of measure – MT of CO2e). Transition Risks: Disclose amount and extent of assets or business activities vulnerable to transition risks (Example unit of measure – Amount or percentage). Physical Risks: Disclose amount and extent of assets or business activities vulnerable to physical risks (Example unit of measure – Amount or percentage). Climate-Related Opportunities: Disclose proportion of revenue, assets or other business activities (financing & investment) aligned with climate-related opportunities (Example unit of measure – Amount or percentage). Client Engagement: Disclose client engagements on climate-related risks and opportunities (Example unit of measure – percentage). Capital Deployment: Disclose amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities (Example unit of measure – Reporting currency). Remuneration: Disclose proportion of director and/or senior management remuneration linked to sustainability considerations (Example unit of measure – Percentage, weighting, description, or amount in reporting currency). 	SR Sustainability Governance RHB's Climate Related Financial Disclosures (Pages 40-41), Sustainability Performance Data (Page 128)
M2 Key Climate-related Targets**	<ul style="list-style-type: none"> Set and disclose clear climate-related targets based on recognised metrics (including cross-industry, sector specific metrics and/or institution-specific metrics) 	SR Sustainability Performance Data (Pages 128-130)

Stretch Recommendations

Governance		
Recommendations	Descriptions	Reference
G7 Separate Committee on Sustainability and Climate-related Matters	<ul style="list-style-type: none"> Set up a separate committee to oversee sustainability-related matters, reporting to the Board of Directors for all sustainability and climate-related matters. 	SR Sustainability Governance (Pages 26-28), RHB's Climate Related Financial Disclosures (Page 36)

* The TCFD Index was referenced to the Task Force on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions by The Joint Committee on Climate Change (JC3).

** These recommendations have partial disclosures, as certain information is currently unavailable. As RHB progresses along its TCFD reporting journey, this information will be disclosed as they become readily available.

*** Some recommendations have not been disclosed as the information is currently unavailable. These recommendations are currently not reflected in the Index. As RHB progresses along its TCFD reporting journey, this information will be disclosed as they become readily available.

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CREATING VALUE BY...

RHB Banking Group creates value through its three fundamental sustainability core pillars: Sustainable & Responsible Finance, Embedding Good Practices, and Enriching & Empowering Communities. Through these pillars, we manage our material matters towards ensuring sustainable returns for the Group and its stakeholders. Our 16 material matters reflect our business priorities that seek to minimise risks and capitalise on commercial opportunities across ESG aspects.



PILLAR ONE:
...Driving Sustainable & Responsible Finance

The hallmark of sustainable and responsible finance is the integration of Environmental, Social and Governance (“ESG”) considerations into the financial institution’s DNA, from strategy to our business activities of lending and financing, capital market and advisory, investment, wealth management, insurance business, risk management all the way to reporting and disclosure.

Vision

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth.

Focus Areas

1 Sustainable Financial Services

Create positive impacts through our lending, capital markets, wealth management, deposits, investment, asset management, and insurance businesses

2 Financial Inclusion

Provide financial services to targeted segments of the community (students, new to workforce, the underserved) and businesses (SMEs, microenterprises, etc.)

3 Advancing SMEs Towards Sustainable Business Practices

Nurture and support SMEs in their journey towards building a sustainable business

Material Matters

- ERM
- SF
- CM
- DI
- FI
- CC
- FC

PILLAR TWO:
...Embedding Good Practices

Culture, conduct, and ethics are key pillars that underpin an organisational control structure. Integrity in business, whether from the perspective of corporate governance, environment, or employees and communities, has direct implications on the Group’s long-term viability. By preserving high standards of transparency in governance and business ethics, nurturing an inclusive and healthy workplace culture as well as a sustainable supply chain, and managing the environmental footprint in our operations, we endeavour to shape corporate stewardship and responsible behaviour across the Group.

Vision

Foster responsible practices and nurture a sustainable culture within our organisation

Focus Areas

1 Ethics and Conduct

Uphold integrity, ethics, and compliance through robust policies and processes

2 People and Workplace

Promote employee development and nurture a fair, diverse, and inclusive workforce

3 Sustainable Supply Chain

Promote responsible and sustainable practices across the Group’s supply chain

Material Matters

- GG
- DC
- TM
- EL
- DO
- ES
- EW
- SP

PILLAR THREE:
...Enriching & Empowering Communities

Our commitment to delivering sustainable value to our stakeholders encompasses the communities in which we operate. As a corporate steward, we are in a position to give back to the community and contribute to nation-building in the spirit of sharing value. At RHB, our societal contributions encompass short-term and long-term community empowerment and enrichment initiatives, focused on nurturing future generations and empowering communities. We mobilise our network including our regional employees to deliver positive impact to vulnerable segments of the community.

Vision

Create long-term positive impacts on the communities, focusing on nurturing children and young adults

Focus Areas

1 Nurturing Future Generations

Promote growth and resilience in children and young adults through holistic learning and self-development programmes

2 Empowering Communities

Improve the lives of vulnerable & underserved segments of the community through meaningful community engagement initiatives which includes capacity building and skills development programmes

Material Matters

- CE

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Our Board of Directors and Group Company Secretary



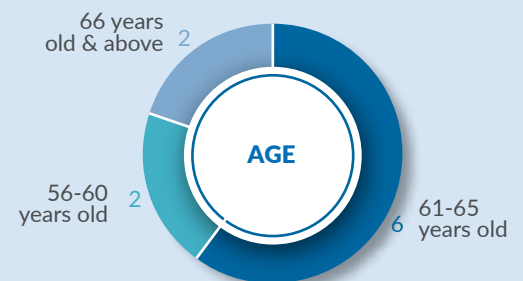
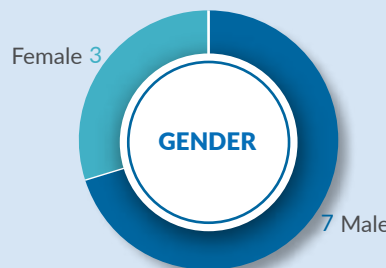
TAN SRI AHMAD BADRI MOHD ZAHIR
NON-INDEPENDENT
NON-EXECUTIVE CHAIRMAN

BOARD SKILLS & EXPERIENCES (%)

Leadership & Management	100%
Banking	56%
Finance	67%
Treasury Capital & Securities Markets	67%
Governance Risk & Compliance	23%
International Trade	12%
MIS & Technology	12%
Cybersecurity & Data Privacy	12%

BOARD COMPOSITION

- 1** Senior Independent Non-Executive Director
- 5** Independent Non-Executive Directors
- 3** Non-Independent Non-Executive Directors
- 1** Group Managing Director/ Group Chief Executive Officer



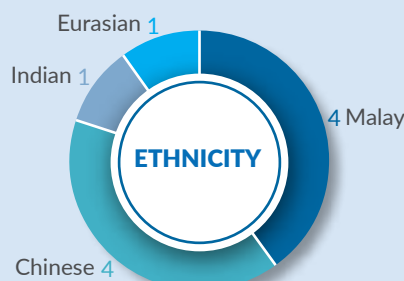
KEY FEATURES OF OUR BOARD



The Chairman is a Non-Independent Non-Executive Director



The positions of the Chairman and the Group Managing Director/Group CEO are held by different individuals



MOHD RASHID MOHAMAD
GROUP MANAGING DIRECTOR/
GROUP CHIEF EXECUTIVE OFFICER



**TAN SRI ONG LEONG HUAT
@ WONG JOO HWA**
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR



**TAN SRI DR REBECCA FATIMA
STA MARIA**
SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR



**DATO' MOHAMAD
NASIR AB LATIF**
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR



ONG AI LIN
INDEPENDENT
NON-EXECUTIVE DIRECTOR



LIM CHENG TECK
INDEPENDENT
NON-EXECUTIVE DIRECTOR



**SHARIFATU LAILA
SYED ALI**
INDEPENDENT
NON-EXECUTIVE DIRECTOR



**DONALD JOSHUA
JAGANATHAN**
INDEPENDENT
NON-EXECUTIVE DIRECTOR



DATUK IAIN JOHN LO
INDEPENDENT
NON-EXECUTIVE DIRECTOR



**AZMAN SHAH
MD YAMAN**
GROUP COMPANY SECRETARY



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Profile of Our Board and Group Company Secretary



-  62 years old
-  Male
-  Malaysian

TAN SRI AHMAD BADRI MOHD ZAHIR

Attended Board Meetings: 

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

 16 November 2020*



-  55 years old
-  Male
-  Malaysian

MOHD RASHID MOHAMAD

Attended Board Meetings: 

GROUP MANAGING DIRECTOR/
GROUP CHIEF EXECUTIVE OFFICER

 1 April 2022

Qualifications

- Master in Business Administration, University of Hull, United Kingdom
- Degree in Land and Property Management, MARA University of Technology

Other Directorship(s)

Listed Entities:

- Sime Darby Berhad

Public Companies:

- Employees Provident Fund Board (Chairman)

Not-For-Profit Organisations:

- RHB Foundation (Chairman)

Skills and Experience

Tan Sri Ahmad Badri Mohd Zahir (“Tan Sri Ahmad Badri”) started his career as a Senior Valuation Executive at C.H. Williams, Talhar & Wong Sdn Bhd prior to his appointment as the Assistant Secretary in the Finance Division of the Ministry of Finance in 1989 where he served for nearly 30 years in various capacities, the last being the Secretary General of Treasury.

Tan Sri Ahmad Badri was appointed as the Chairman of the Employees Provident Fund on 1 May 2020. He has sat on the EPF Investment Panel since 2014 and is vastly experienced in the fields of strategic investment, loan management, financial market and actuarial science.

Tan Sri Ahmad Badri previously served on the Boards of Bank Negara Malaysia, Kumpulan Wang Persaraan (Diperbadankan), Permodalan Nasional Berhad and Tenaga Nasional Berhad, amongst others.

* Subsequently formalised as Chairman of RHB Bank Berhad on 24 March 2021.

Qualifications

- Chartered Banker – Asian Institute of Chartered Bankers (“AICB”)
- Master of Business Administration with Distinction, University of Wales, Cardiff, United Kingdom
- Bachelor of Accounting (Hons), University Technology Mara (“UiTM”)

Other Directorship(s)

Listed Entities:

- Nil

Public Companies:

- Nil

Skills and Experience

Mohd Rashid Mohamad (“Rashid”) had a 14-year stint in Bank Negara Malaysia in various capacities in the Banking Supervision/ Examination and Investment Operations & Financial Markets departments.

He later transitioned to the corporate sector, joining ABN Amro NV Singapore and the Royal Bank of Scotland, Singapore where he gained valuable international banking exposure and managing large organisational units.

He returned to Malaysia in 2009 to join the Treasury team of AmBank Group before joining RHB Bank in 2014 as its Group Treasurer.

Rashid served as the Chairman of the Investment Panel of Kumpulan Wang Amanah Pencen Inc. from 2019 to 2021. Currently, he is a Council Member of AICB, and is Chairman of the AICB Investment Committee. Prior to his appointment as Group Managing Director of RHB Bank Berhad, Rashid was the Managing Director of Group Wholesale Banking.



BCC

- 78 years old
- Male
- Malaysian

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Attended Board Meetings: **15** / 16

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

20 November 2012



BNRC

BSC

- 65 years old
- Female
- Malaysian

TAN SRI DR REBECCA FATIMA STA MARIA

Attended Board Meetings: **15** / 16

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

1 August 2016

Qualifications

- Senior Cambridge, Federation of Malaysia Certificate awarded by Methodist English School
- Capital Markets and Services Representative's Licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act, 2007 for dealing in securities

Other Directorship(s)

Listed Entities:

- OSK Holdings Berhad (Executive Chairman)

Public Companies:

- RHB Investment Bank Berhad (Chairman)
- PJ Development Holdings Berhad (Chairman)
- OSK Property Holdings Berhad (Chairman)
- KE-ZAN Holdings Berhad
- OSK Foundation (Chairman)

Skills and Experience

For over 17 years since 1969, Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong") was attached to a leading financial institution where he last held the position of Senior General Manager. He was the Managing Director/Chief Executive Officer ("CEO") of OSK Investment Bank Berhad (now known as OSKIB Sdn Bhd) from July 1985 to January 2007 and thereafter was appointed as the Group Managing Director/CEO. He was then re-designated as a Non-Independent Non-Executive Director and subsequently resigned on 30 April 2013.

Tan Sri Ong was also a Director of MESDAQ from July 1999 to March 2002 and a member of the Capital Market Advisory Council appointed by the Securities Commission in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was a Director on the Board of Bursa Malaysia Berhad from 2008 to 2015 and was previously a Member of the Securities Market Consultative Panel of Bursa Malaysia.

Qualifications

- Bachelor of Arts (Honours) in English Literature, University of Malaya
- Diploma in Public Administration from the National Institute of Public Administration ("INTAN")
- M.S. in Counselling from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia)
- Ph.D from the University of Georgia in Athens, USA

Other Directorship(s)

Listed Entities:

- Sunway Berhad
- Hartalega Holdings Berhad
- Eco World International Berhad
- Dialog Group Berhad

Not-For-Profit Organisations:

- Institute for Democracy and Economic Affairs ("IDEAS")
- MyKasih Foundation (Trustee)
- Hartalega Foundation (Trustee)

Skills and Experience

Tan Sri Dr Rebecca Fatima Sta Maria was previously the Secretary-General of the Ministry of International Trade and Industry ("MITI"). She began her career in the Administrative and Diplomatic Service in 1981 and served in various capacities in the then Ministry of Trade and Industry.

She was involved in handling trade-related matters of the Ministry, including administering Malaysia's interests under bilateral and regional Free Trade Agreements ("FTAs"), as well as Malaysia's engagements in various international organisations such as ASEAN, APEC and WTO. After 35 years in civil service, serving six trade ministers and overseeing 12 trade pacts, she retired as the Secretary-General of MITI in July 2016. She is now the Executive Director of the Asia-Pacific Economic Cooperation ("APEC") Secretariat based in Singapore.

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Profile of Our Board and Group Company Secretary



BNRC
BSC

- 64 years old
- Male
- Malaysian

DATO' MOHAMAD NASIR AB LATIF

Attended Board Meetings: **16 / 16**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

16 March 2020



BAC
BRC

- 67 years old
- Female
- Malaysian

ONG AI LIN

Attended Board Meetings: **15 / 16**

INDEPENDENT NON-EXECUTIVE DIRECTOR

1 July 2017

Qualifications

- Bachelor's Degree in Social Science (Economics), Universiti Sains Malaysia
- Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants
- Master of Science in Investment Analysis from the University of Stirling, United Kingdom

Other Directorship(s)

Listed Entities:

- Malaysian Resources Corporation Berhad
- Yinson Holdings Berhad
- United Plantations Berhad

Public Companies:

- RHB Islamic Bank Berhad (Chairman)
- PLUS Malaysia Berhad (Chairman)

Skills and Experience

Dato' Mohamad Nasir Ab Latif started his career with the Employees Provident Fund Board in 1982 and held several positions including State Enforcement Officer (1990 to 1995), Senior Research Officer, Manager and Senior Manager in the Investment and Economics Research Department (1995 to 2003) and General Manager of the International Equity Investment Department (July 2009 to 2013). He was last appointed as Deputy Chief Executive Officer (Investment) in 2013 and retained this position until his retirement in December 2019.

He is currently the Chairman of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan).

Qualifications

- Bachelor of Arts (Honours) in Economics, the University of Leeds, United Kingdom
- Associate of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Other Directorship(s)

Listed Entities:

- Tenaga Nasional Berhad
- IHH Healthcare Berhad

Public Companies:

- RHB Islamic Bank Berhad

Skills and Experience

Ong Ai Lin began her career with Deloitte Haskins & Sells ("DH&S") in London in 1978, prior to joining PricewaterhouseCoopers ("PwC") in 1991 as Senior Manager. At PwC, she built the IT audit practice, an integral part of the firm's financial audit services. She was then appointed as Partner/Senior Executive Director of PwC in 1993 and was the Business Continuity Management and Information Security Practice Leader for PwC Malaysia. She has also served as the past President of the Information Systems Audit and Control Association ("ISACA")-Malaysia Chapter.

She has over 30 years of experience in providing business continuity management, governance risk and compliance, information security, cybersecurity, technology risk and governance and data privacy services in the United Kingdom, Singapore, Indonesia, Thailand, Vietnam, Philippines, Sri Lanka, Cambodia and Malaysia.

Her extensive experience includes collaboration with regulators, government ministries agencies and organisations in various sectors encompassing financial services, telecommunications and multimedia, energy, capital markets, transportation, aviation, manufacturing and trading, cybersecurity, provident fund and sovereign wealth fund, as well as non-governmental organisations.

Her knowledge and experience earned her the "Best Certified Business Continuity Professional in Malaysia" award from Disaster Recovery Institute International at their inaugural awards in 2012. She was also awarded the "Cybersecurity Lifetime Achievement Award" in 2018 by CyberSecurity Malaysia.



BRC

BCC

- 62 years old
- Male
- Singaporean

LIM CHENG TECK

INDEPENDENT NON-EXECUTIVE DIRECTOR

28 November 2018

Attended Board Meetings:



BNRC

- 60 years old
- Female
- Malaysian

SHARIFATU LAILA SYED ALI

INDEPENDENT NON-EXECUTIVE DIRECTOR

15 March 2019

Attended Board Meetings:



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LEADERSHIP

Qualifications

- Master of Business Administration, Brunel University, United Kingdom
- Bachelor of Arts from the National University of Singapore

Other Directorship(s)

- | | |
|-------------------------|--------------------------|
| Listed Entities: | Public Companies: |
| • Nil | • Nil |

Skills and Experience

Lim Cheng Teck was the Regional Chief Executive Officer for ASEAN at Standard Chartered Bank. He first joined Standard Chartered Bank in 1988 and has held various roles within the bank's Corporate and Institutional Banking Division before being appointed as the Chief Operating Officer for Standard Chartered Bank (China) Ltd in 2005. In 2006, he was appointed as the Chief Executive Officer of Standard Chartered Bank (Singapore) Ltd. He returned to China in 2009 to take up the role of Chief Executive Officer and Executive Vice Chairman of Standard Chartered Bank (China) Ltd.

He has served on several Standard Chartered Bank subsidiary boards, notably as the Chairman of Standard Chartered Bank (Mauritius) Ltd, Standard Chartered Bank (Thailand) Ltd, Standard Chartered Bank (Singapore) Ltd, and as the Deputy Chairman of Standard Chartered Bank (Malaysia) Ltd and the President Commissioner of PT Bank Permata, Indonesia. He has also served as a Non-Executive Director of Standard Chartered Bank (Taiwan) Ltd. He has previously served as a Director on the boards of Clifford Capital Pte Ltd and the Singapore International Chamber of Commerce, a Governor of the Singapore International Foundation and a Council Member of the Institute of Banking and Finance Singapore and the Singapore National Employers Federation.

Additionally, he was the Chairman of the Overseas Financial Service Commission the China Chamber of Commerce, the Vice Chairman of the Association of Banks in Singapore and a Member of the Monetary Authority of Singapore's Financial Centre Development Committee. Having served in the banking arena for over 28 years, he retired from Standard Chartered Bank in April 2016 and continued as a senior advisor on a non-executive role till April 2017.

Further, he served as Chief Executive Officer of Pontiac Land Group from March 2017 to May 2018 and he completed his 12-year term with the Advisory Board of Sim Kee Boon Institute of Financial Economics, Singapore Management University in 2021. Currently, he sits on the Boards of Minterrest Holdings Pte Ltd and Bright Vision Community Hospital, Singapore and SingHealth Funds. He is also the Chairman of the Board Committee, SingHealth Funds - SingHealth Community Hospitals.

Qualifications

- Master of Business Administration, University of Malaya, Malaysia
- Bachelor of Science (Honours), Universiti Kebangsaan Malaysia, Malaysia
- Advanced Management Programme, Harvard Business School, USA

Other Directorship(s)

- Listed Entities:**
- Bursa Malaysia Berhad

- Public Companies:**
- RHB Insurance Berhad
 - Minority Shareholders Watch Group

Skills and Experience

Sharifatu Laila Syed Ali ("Sharifa") has extensive experience in the field of investment management and portfolio investing, having served various premier institutions and government-linked investment funds over a period of more than 30 years. She played a key role in the setting up of Valuecap Sdn Bhd ("Valuecap"), a government-led initiative, whose founding shareholders were Khazanah Nasional Berhad, Kumpulan Wang Amanah Pecen and Permodalan Nasional Berhad ("PNB").

Sharifa began her career at PNB and subsequently moved on to hold various senior leadership positions at the Employees Provident Fund including Head of Treasury & Equity Markets, gaining broad exposure within the domestic and regional capital markets environment over a period of 15 years. Following a brief period as Head of Investments at the Pilgrims Fund, she was appointed the Chief Executive Officer of Valuecap in October 2002. She became Group Chief Executive Officer of Valuecap in 2015.

Under her stewardship, the Group spearheaded the country's move into new frontiers within the domestic markets, including launching Malaysia's first exchange traded fund (Ringgit & USD) and various Environmental, Social and Governance ("ESG")-type Funds. Pursuant to her departure from Valuecap, she served as an Advisor to the Board of Directors of Valuecap, after which she took on various roles in other Boards and Committees. She is also a Member of the Investment Committee of University of Malaya.

Profile of Our Board and Group Company Secretary



BRC
BAC
BSC

63 years old
Male
Malaysian

DONALD JOSHUA JAGANATHAN

Attended Board Meetings: **16 / 16**

INDEPENDENT NON-EXECUTIVE DIRECTOR

17 August 2020



BSC
BAC
BNRC

61 years old
Male
Malaysian

DATUK IAIN JOHN LO

Attended Board Meetings: **14 / 16**

INDEPENDENT NON-EXECUTIVE DIRECTOR

15 September 2020

Qualifications

- Bachelor of Accounting (Hons), University of Malaya
- Chartered Accountant, Malaysian Institute of Accountants
- Master in Business Administration from the Cranfield School of Management, United Kingdom
- Fellow Chartered Banker of the Asian Institute of Chartered Bankers
- Advanced Management Programme, Harvard Business School, USA

Other Directorship(s)

Listed Entities:

- Nil

Public Companies:

- Asian Institute of Chartered Bankers
- RHB Insurance Berhad
- Zurich Life Insurance Malaysia Berhad

Skills and Experience

Donald Joshua Jaganathan (“Donald”) serves as a Council Member of the Asian Institute of Chartered Bankers and the Chairman of its Education Committee. He is also a member of the Board of Directors of the Asian Banking School and the Chairman of its Talent Development Committee.

Donald has had a fulfilling career with Bank Negara Malaysia (“BNM”) for 36 years, rising to the rank of Assistant Governor, with key responsibilities over the financial stability function, including oversight of BNM’s Financial Stability Report. His work experience included leadership and management oversight over the supervision and regulation of the banking and insurance industry in Malaysia, training and development activities with the banking and insurance institutes. He also served as the Malaysian representative in international supervisory bodies, including the Basel Committee on Banking Supervision (“BCBS”) and the International Association of Insurance Supervisors (“IAIS”).

His previous positions include the Chairman of the Board of Directors of Payments Network Malaysia Sdn Bhd (“PayNet”), Chairman of the Board of Finance Accreditation Agency Berhad (“FAA”), Chairman of the Board Executive Committee of the Malaysian Insurance Institute, Council Member of the Malaysian Institute of Accountants and Member of the Malaysian Financial Reporting Foundation.

Qualifications

- Bachelor of Science in Civil Engineering, University of California, Los Angeles (“UCLA”)
- Master of Science in Civil Engineering from UCLA

Other Directorship(s)

Listed Entities:

- CelcomDigi Berhad (formerly known as Digi.com Berhad)

Public Companies:

- RHB Investment Bank Berhad

Skills and Experience


Datuk Iain John Lo (“Datuk Iain”) retired as the Country Chairman of Shell Malaysia Limited on 31 March 2021. He is a proven leader who has extensive experience and held a broad range of roles over the past 30 years in Shell’s exploration and production, gas and downstream businesses both in Malaysia as well as abroad. Datuk Iain was the Chairman of Shell Refining Company Bhd till the company was sold in 2016.

He joined Sarawak Shell Berhad as a Field Engineer in 1990 before moving on to undertake various engineering, business development and corporate roles based in Malaysia, Singapore and Netherlands. His areas of responsibilities included governance of LNG and Chemicals joint ventures in Malaysia, Middle East, China and Russia. He was appointed as a Board Director of Singapore’s Economic Development Board in 2009 and served till 2012 when he returned to Malaysia as Chairman and Managing Director of Sarawak Shell Berhad and Sabah Shell Petroleum. In 2017, Datuk Iain was appointed as Asia Pacific Commercial Vice President for Shell’s exploration, production and gas businesses with accountability for regional acquisitions, divestments and new business development.



 55 years old

 Male

 Malaysian

AZMAN SHAH MD YAMAN

GROUP
COMPANY SECRETARY

 23 August 2004

Qualifications

- LLB (Honors), International Islamic University Malaysia (“IIUM”)
- A qualified Advocate & Solicitor of the High Court of Malaya
- A Licensed Company Secretary (LS 0006901)
- An affiliate of the Malaysian Institute of Chartered Secretaries & Administrators
- A Certified Integrity Officer (“CeIO”) accredited by the Malaysia Anti-Corruption Academy (“MACA”)
- Attended the Senior Leadership Development Programme, INSEAD

Skills and Experience

Azman Shah Md Yaman (“Azman Shah”) leads the Group’s Legal, Secretariat & Governance functions. He is accountable directly to the Board, through the Chairman, on all matters with regards to the formal functioning of the Board. He leads and acts as the guardian to the policies and principles of good governance and anti-bribery & corruption.

He shoulders the responsibilities as the Group Company Secretary, General Legal Counsel and also Chief Integrity and Governance Officer (“CIGO”) within RHB Banking Group.

Prior to employment with RHB Banking Group, Azman Shah practised as an Advocate and Solicitor after being admitted to the Malaysian Bar in 1991 and was involved in both corporate and litigation works before joining Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) in 1993. In Bursa Malaysia, he held various roles for more than 10 years and his responsibility ranged from legal advisory on clearing, settlement & depository, compliance to corporate and secretarial services. His last position was Head, Group Corporate Secretarial & Compliance/Group Company Secretary. He also held directorships in various Bursa Malaysia’s subsidiaries.

Declaration:

Save as disclosed, the Directors have:

1. No conflict of interest with RHB Bank and/or family relationship with any Director and/or major shareholder except for:
 - (a) Tan Sri Ong Leong Huat, who is deemed major shareholder of RHB Bank pursuant to Section 8(4) of the Companies Act 2016, by virtue of shares held through OSK Holdings Berhad.
 - (b) Tan Sri Ahmad Badri Mohd Zahir and Dato’ Mohamad Nasir Ab Latif who are nominees of the Employees Provident Fund Board, a major shareholder of RHB Bank.
2. Never been convicted of any offence within the past five years nor have had any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year under review.

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Profile of The Chairmen of The Key Operating Companies





-  64 years old
-  Male
-  Malaysian

CHAIRMAN OF RHB ISLAMIC BANK BERHAD

DATO' MOHAMAD NASIR AB LATIF

NON-INDEPENDENT
NON-EXECUTIVE CHAIRMAN

 2 May 2020*

 For more details, go to page 138.

* Subsequently appointed as a Non-Independent Non-Executive Chairman of RHB Islamic Bank Berhad on 28 May 2020.




-  78 years old
-  Male
-  Malaysian

CHAIRMAN OF RHB INVESTMENT BANK BERHAD

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

NON-INDEPENDENT
NON-EXECUTIVE CHAIRMAN

 20 November 2012*

 For more details, go to page 137.

* Subsequently appointed as a Non-Independent Non-Executive Chairman of RHB Investment Bank Berhad on 22 April 2021.




-  67 years old
-  Male
-  Malaysian

CHAIRMAN OF RHB INSURANCE BERHAD

JAHANATH MUTHUSAMY

INDEPENDENT
NON-EXECUTIVE CHAIRMAN

 1 November 2016*

Board Committee Membership(s)

- Board Risk Committee of RHB Insurance Berhad

Qualifications

- Fellow of the Chartered Insurance Institute, United Kingdom
- Fellow - Malaysian Insurance Institute

Other Directorship(s)

Listed Entities:

- Nil

Public Companies:

- Nil

Skills and Experience

Jahanath Muthusamy ("Jahanath") has over 40 years' experience, having joined the insurance industry in 1975. During this period, he was actively involved in the Insurance Institutes and Insurance Associations of both Malaysia and Indonesia serving in various capacities. In 2002, Jahanath was seconded to PT Assuransi AXA as the President and Chief Executive Officer ("CEO") and a member of the Board of Directors. He returned to AXA Affin General Insurance Malaysia at the end of 2006 and assumed the role of CEO and a member of the Board of Directors until his retirement in October 2012. He remained on the board of PT Assuransi AXA until 2012. From 2013 to 2015, he was appointed as a Senior Advisor to Solution Providers Pte Ltd, a Swiss insurance solution provider/consultant based in Singapore.

* Subsequently appointed as an Independent Non-Executive Chairman of RHB Insurance Berhad on 28 May 2020.

YAP CHEE MENG

INDEPENDENT
NON-EXECUTIVE CHAIRMAN

 24 April 2018

Board Committee Membership(s)

- Investment Committee of RHB Asset Management Sdn Bhd (Chairman)
- Investment Committee of RHB Islamic International Asset Management Berhad (Chairman)

Qualifications

- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Institute of Singapore Chartered Accountants

Other Directorship(s)

Listed Entities:


- ARA Trust Management (Suntec) Limited – Suntec REIT (Singapore)

Non-Listed Companies:


- RHB Investment Bank Berhad (Malaysia)
- HSBC Life (Singapore) Pte Ltd (Singapore) (formerly known as AXA Insurance Pte Ltd)
- HSBC Insurance (Singapore) Pte Limited

RHB Asset Management Group:

- RHB Asset Management Sdn Bhd (Malaysia)
- RHB Islamic International Asset Management Berhad (Malaysia)
- RHB Asset Management Pte Ltd (Singapore)
- RHB International Investments Pte Ltd (Singapore)

 67 years old

 Male

 Singaporean



CHAIRMAN OF RHB ASSET MANAGEMENT SDN BHD

Skills and Experience

Yap Chee Meng was KPMG International's Chief Operating Officer for the Asia Pacific Region and a Member of its Global Executive Team from 1 October 2010 to 30 September 2013.

Prior to 1 October 2010, he was a Senior Partner in KPMG Singapore and part of the firm's leadership team. Yap Chee Meng's key appointments then (within KPMG locally, regionally and globally) included as Asia-Pacific Head of Financial Services, Singapore Head of Financial Services and Singapore Head of Real Estates and Specialised REITs Group, as well as Member of KPMG International's Professional Indemnity Insurance Steering Committee and Member of KPMG International's Financial Services Leadership Committee.

In a career with over 38 years of experience in the financial and accounting sector, he has also served in various professional/regulatory committees of the Singapore Accounting & Corporate Regulatory Authority and the Institute of Certified Public Accountants of Singapore.

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Profile of The Shariah Committee



DR. AHMAD BASRI IBRAHIM

Chairman

48 years old
 Malaysian
 2 February 2018/
1 February 2020
 Male

Attended Board Meetings:

Present Membership of Shariah Committees in Other Institutions:

- Bank Pembangunan Malaysia Berhad (“BPMB”)

Qualifications

- B.A (Hons) in Islamic Jurisprudence and Legislation, University of Jordan, Amman, Jordan
- Master’s Degree in Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia, Kuala Lumpur
- PhD in Islamic Law, University of Birmingham, United Kingdom

Areas of Expertise:

- Islamic Law of Transactions
- Principles of Islamic Jurisprudence (Usul al-Fiqh)
- Islamic Legal Maxims
- Islamic Criminal Law

Experience & Achievements:

- Currently the Vice President and Head of Shariah Management, Permodalan Nasional Berhad (“PNB”).
- Was formerly the Deputy Dean (Academic Affairs) at the Kulliyah of Islamic Revealed Knowledge and Human Sciences, IIUM and a Board Member of the IIUM Institute of Islamic Banking and Finance (“IIBF”).
- Previously served as Chairman of the Shariah Committee at OSK Investment Bank Berhad and Great Eastern Takaful Sdn Bhd, and as a Shariah Committee member of Hong Leong Islamic Bank Berhad and SME Bank.
- Possesses vast experience in teaching and has produced numerous publications in his fields of specialisation.
- Has conducted lectures on Usul al-Fiqh and the Islamic law of transactions at various agencies such as the Central Bank of Malaysia (“BNM”), PNB, SIRIM, Great Eastern Takaful Berhad, CIMB and OCBC Al-Amin.
- Has received several grants and awards for his research work.



ASSOC. PROF. DR. KAMARUZAMAN NOORDIN

47 years old
 Malaysian
 1 April 2020
 Male

Attended Board Meetings:

Present Membership of Shariah Committees in Other Institutions:

- Bank Simpanan Nasional
- Swiss Retakaful
- Employees Provident Fund
- Limra Assets

Qualifications

- Registered Shariah Adviser with Securities Commission Malaysia (“SC”)
- Member of the Association of Shariah Advisors in Islamic Finance (“ASAS”)
- Bachelor’s Degree in Shariah and Master’s Degree in Business Administration from Universiti Malaya, Ph.D. in Islamic Studies from University of Wales, United Kingdom

Areas of Expertise:

- Islamic Banking & Finance
- Takaful

Experience & Achievements:

- Currently the Shariah Committee Chairman of Swiss Reinsurance Company Ltd. (“Swiss Re-Takaful”) and LIMRA Group of Companies. In addition to this, he is currently a Shariah committee member of Employees Provident Fund (“EPF”) Malaysia. Previously, he has served as Chairman of Shariah Committee at Kenanga Investment Bank Berhad.
- Currently a Senior Lecturer at the Department of Shariah and Management, Academy of Islamic Studies of University of Malaya (“APIUM”). He is also the Deputy Director (Student Affairs) of APIUM.
- Previously the Head of Shariah Management Department at UM, the Deputy Director of the Institute of Public Policy and Management (“INPUMA”), as well as the Manager of the Unit Pengajian Awam at Academy of Islamic Studies of UM.
- Has published numerous journal articles, contributed in books, as well as conducted numerous training programmes and seminars concerning Islamic finance and Shariah.



DR. ABDUL RAHMAN A. SHUKOR

44 years old
 Malaysian
 1 May 2022
 Male

Attended Board Meetings:

Present Membership of Shariah Committees in Other Institutions:

- Perbadanan Tabung Pembangunan Kemahiran (PTPK)
- MY EG Islamic Finance Services Sdn. Bhd.

Qualifications

- Bachelor in Shariah Islamiah from Al-Azhar University
- Master degree in Shariah and Economy, University of Malaya
- PhD in Shariah and Economy, University of Malaya

Areas of Expertise:

- Islamic Banking & Finance
- Takaful

Experience & Achievements:

- Prior to his appointment as the Shariah committee member of RHB Islamic Bank, Dr. Abdul Rahman was previously a Shariah committee member of OCBC Al-Amin Berhad, KAF Investment Bank Berhad, and KAF Equities Sdn. Bhd.
- Currently, he is also serving as a Shariah committee member for Perbadanan Tabung Pembangunan Kemahiran (PTPK) under the Ministry of Human Resources and MY EG Islamic Finance Services Sdn. Bhd.
- He is also a registered Shariah Adviser with the Securities Commission Malaysia.
- Apart from his industry experience, Dr. Abdul Rahman also has exposure in the academic field, having involved in tutoring at the Faculty of Finance and Banking, Universiti Utara Malaysia and presently teaching Usul Fiqh & Fiqh Maxim for postgraduate students at the Faculty of Economy and Management, Universiti Kebangsaan Malaysia as a part-time lecturer.
- Dr. Abdul Rahman has published numerous journal articles and contributed chapters in books and proceedings, as well as presenting research papers in numerous conferences and seminars concerning Islamic Finance and Shariah.



SHABNAM MOHAMAD MOKHTAR

45 years old Malaysian
 1 May 2015/ 1 April 2020 Female
 Attended Board Meetings:

Present Membership of Shariah Committees in Other Institutions:

- AIA Public Takaful Berhad
- Algra, U.K

Qualifications

- Bachelor of Accountancy, University Putra Malaysia
- Master of Accounting, University of Illinois, Urbana-Champaign, U.S.A
- Certified Shariah Adviser & Auditor ("CSAA"), Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Bahrain

Areas of Expertise:

- Finance & Islamic Finance
- Accounting & Islamic Accounting
- Islamic Capital Market & Derivatives
- Sustainability & Impact Investing

Experience & Achievements:

- Presently the Managing Director of SHAPE Knowledge Services, an Islamic finance consulting firm.
- Appointed as the Securities Commission-Oxford Centre of Islamic Studies Visiting Fellow in Islamic Finance for 2021/2022.
- Spearheads research and development activities including financial analysis, strategic & business plan formulation, design and implementation of customised surveys, research and training for different clients at SHAPE®.
- A Member of the Association of Shariah Advisors in Islamic Finance ("ASAS").
- She formerly headed capital markets research for the International Shariah Research Academy ("ISRA"), an institution established by Bank Negara Malaysia.
- Has conducted various training programmes on Islamic banking, Sukuk and Islamic Capital Market products, and on risk management and financial reporting for clients in the ASEAN region, the Gulf Cooperation Council ("GCC") and the European market.
- Has contributed chapters to Housing the Nation (Cagamas, 2013), Managing Fund Flows, Risks and Derivatives: Applications in Islamic Institutions (Sweet & Maxwell, 2012), Islamic Financial System: Principles & Operations Market (ISRA, 2011), Sukuk (Sweet & Maxwell, 2009) and Partnership Accounting, Principles and Practice (McGraw Hill).
- From 2010 to 2014, was a Member of the Shariah Advisory Panel of the Malaysian Rating Corporation Berhad ("MARC").
- Prior positions include adjunct professor of finance at both Depaul University (Chicago) and IE Business School (Madrid) and lecturer of accounting, finance and bank management at University Putra Malaysia.



DR. MD. NURDIN NGADIMON

61 years old Malaysian
 1 May 2021 Male
 Attended Board Meetings:

Present Membership of Shariah Committees in Other Institutions:

- NIL

Qualifications

- Bachelor of Shariah (Shariah & Economy) from the University of Malaya
- Master's degree in Fiqh and Usul Fiqh from the University of Jordan
- Ph.D. in Islamic Studies from the University of Birmingham

Areas of Expertise:

- Islamic Jurisprudence of Transactions (Muamalat)
- Islamic Jurisprudence and Fundamental of Islamic Jurisprudence (Fiqh and Usul Fiqh)
- Islamic Jurisprudential Rules (Qawaid Fiqh)
- The Objective of Shariah Law (Maqasid Shariah)
- Islamic Capital Market & Derivatives

Experience & Achievements:

- Previously a lecturer in the Faculty of Shariah, University of Malaya.
- Served in the Securities Commission of Malaysia in various roles until his last position as the Deputy Director in 2020.
- Pioneer member of the Islamic Instrument Study Group set up by the Securities Commission.
- Involved in the development of the Shariah-compliant securities screening methodology for securities listed on Bursa Malaysia.
- Representative in the Islamic Financial Services Board (IFSB), Malaysian Accounting Standard Board, Law Harmonization Committee, Special Committee for Islamic Finance (under the Ministry of Finance), a member of the Islamic Consultative Council (ICC) panel under the Prime Minister's Department, Malaysia and a member of consultative representative under the Malaysian Qualifications Agency (MQA).

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Group Senior Management



We are in a position
of strength and
ready to grow

MOHD RASHID MOHAMAD
Group Managing Director/Group Chief Executive Officer



From left:

- DATO' ADISSADIKIN ALI • WENDY TING
- WAN MARIAH ABU HASSAN • RYAN TEOH • DAVID CHONG



From left:

- OLIVER TAN • JEFFREY NG • DR CHONG HAN HWEE • FAZLINA MOHAMED GHAZALI
- NIK RIZAL KAMIL

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From left:

- WONG KWANG LEH • GANESH SABARATNAM • ALEX TAN AUN AUN
- NORAZZAH SULAIMAN • SYED AHMAD TAUFIK ALBAR


Profile of Group Senior Management

01

MOHD RASHID MOHAMAD

Group Managing Director (MD)/Group Chief Executive Officer (GCEO) RHB Banking Group

 55 years old  Malaysian  Male

 1 April 2022

Responsibilities:

- Set the Group's vision and strategic direction, while working closely with the Board of Directors
- Define and shape the Group's corporate culture and brand values
- Lead the Group in managing its businesses and operations to achieve targets and goals
- Maximise the Group's return on capital invested

Experience:

- Began his career in the Examination/Supervision Department in Bank Negara Malaysia in 1988 after which he moved to the Investment Operations & Treasury Department in 1994 where he spent more than five years in the Monetary Policy Implementation section
- Over 20 years of regional treasury experience in senior level positions within several financial institutions in Singapore and Malaysia such as ABN Amro, the Royal Bank of Scotland and AmBank Group

Qualifications:

- Chartered Banker - Asian Institute of Chartered Bankers (AICB)
- Advanced Strategic Management Program, Institute for Management Development (IMD), Lausanne, Switzerland
- Master's in Business Administration with Distinction, University of Wales, Cardiff, United Kingdom
- Bachelor of Accounting (Hons) from University Technology Mara ("UiTM"), Shah Alam, Selangor

External Memberships:

- Chairman of Asian Institute of Chartered Bankers Investment Committee
- Council Member of the Association of Banks, Malaysia
- Council Member of Asian Institute of Chartered Bankers
- Malaysian Institute of Accountants ("MIA")

02

NIK RIZAL KAMIL TAN SRI NIK IBRAHIM KAMIL

Group Chief Financial Officer

 50 years old  Malaysian  Male

 2 February 2021

Responsibilities:

- Leads Group Finance and ensures the effectiveness of the various finance functions across the Group, including budgeting, reporting, capital and balance sheet management, taxation and procurement

Experience:

- 27 years of working experience in the areas of accounting and finance as well as strategic investments, domestically and globally
- Prior to this appointment, was an Executive Director of Investments at Khazanah Nasional Berhad ("Khazanah") and was responsible for Khazanah's investments in Telecommunications, Media & Technology ("TMT") and was also the Head of Private Markets for North America, EMEA and South Asia
- Was also the Head of Private Markets for North America, EMEA and South Asia, leading Khazanah's investment and divestment projects, value creation activities and overall Private Equity asset class strategy execution, whilst heading the international offices in San Francisco, Istanbul and Mumbai
- Nik Rizal also served as Khazanah's Nominee Director on the boards of several public listed and private companies both domestically and internationally
- Held various leadership positions overseeing finance, strategy, and planning within the Royal Dutch Shell Plc. group of companies, having been based in the United Kingdom, Singapore, and Malaysia

Qualifications:

- MSc Finance, London Business School, United Kingdom
- BSc (Hons) Economics & Accounting, University of Bristol, United Kingdom
- Fellow Chartered Accountant ("FCA") and Business Finance Professional ("BFP") with the Institute of Chartered Accountants in England and Wales ("ICAEW")

External Memberships:


- Institute of Chartered Accountants in England and Wales ("ICAEW")
- Association of Banks in Malaysia ("ABM")
- Malaysian Institute of Accountants

03

JEFFREY NG EOW OO

Managing Director, Community Banking

 49 years old  Malaysian  Male

 1 July 2021

Responsibilities:

- Lead and drive the growth of Group Community Banking to ensure alignment with the Group's strategic aspirations, across the Group's regional presence, primarily Malaysia, Singapore and Cambodia
- Meet the Group's aspirations to be the best community bank by fostering deeper connections, enhancing digital capabilities and championing sustainable practices for both individuals and SME customers
- Responsible to ensure the Bank remains at the forefront in terms of growth, profitability and market share by leveraging on the strength of community banking channels and digitalisation of customer journeys
- Delivering TWP24 strategic thrust in targeted segments

Experience:

- More than 20 years of experience in banking, covering various management roles within the industry
- Prior to his appointment to Group Community Banking, he was leading the Group's Business Banking and Transaction Banking segment
- Spent 8 years with Standard Chartered Malaysia, where he last helmed the SME Business segment prior to joining RHB
- Qualified accountant with early part of his career spent with PricewaterhouseCoopers covering the area of assurance

Qualifications:

- Chartered Accountant – Malaysian Institute of Accountant (MIA)
- Chartered Certified Accountant – The Association of Chartered Certified Accountant of the United Kingdom (ACCA)
- Chartered Banker – Asian Institute of Chartered Bankers (AICB)
- Advance Diploma in Finance – Tunku Abdul Rahman College

External Memberships:

- Malaysian Institute of Accountants
- Associate of Chartered Certified Accountants of the United Kingdom
- Asian Institute of Chartered Bankers

04

DATO' ADISSADIKIN ALI

Managing Director, RHB Islamic Bank

 52 years old  Malaysian  Male

 1 August 2016

Responsibilities:

- Lead, manage and grow Islamic Banking and Shariah Business within RHB Banking Group

Experience:

- More than 20 years of experience in financial services industry
- Held senior positions in Bank Islam Malaysia and AlKhair International Islamic Bank Berhad
- Prior to joining RHB, was the Managing Director and Chief Operating Officer at Export-Import Bank Malaysia Berhad

Qualifications:

- MBA (Finance), University of Malaya
- Bachelor's Degree in Business (Banking and Finance), Monash University, Australia
- Diploma in Investment Analysis, University Teknologi MARA ("UiTM"), Malaysia
- Advanced Management Program ("AMP"), Harvard Business School, Boston, USA
- Chartered Banker, Asian Institute of Chartered Bankers ("AICB")
- Chartered Banker, Chartered Banker Institute, UK
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals, Malaysia

External Memberships:

- Board of Islamic Banking & Finance Institute Malaysia (IBFIM)

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SYED AHMAD TAUFIK ALBAR

Managing Director, Group Wholesale Banking

 50 years old  Malaysian  Male

 16 May 2022

Responsibilities:

- Drive the formulation and execution of business strategy for Group Investment Banking, Group Corporate Banking, Group Treasury & Global Markets, Group Asset Management, Transaction Banking, Commercial Banking as well as oversee the Group's Economics function

Experience:

- More than 20 years of experience as a finance professional and served as RHB's Group Chief Financial Officer from December 2016 to January 2021
- Started finance career with Shell and worked in various Shell offices in Malaysia, Australia and the Netherlands
- Held various Finance roles in Axiata Group including as Chief Financial Officer of Smart Axiata in Cambodia
- Prior to joining RHB, served as the Group Chief Financial Officer of UEM Group Berhad

Qualifications:

- Bachelor of Accounting (Hons), International Islamic University Malaysia
- Master of Economics, International Islamic University Malaysia

External Memberships:

- Chartered Institute of Management Accountants ("CIMA"), UK
- Malaysian Institute of Accountant ("MIA")

06

WENDY TING WEI LING

Managing Director, Group International Business & Group Corporate Banking

 52 years old  Malaysian  Female

 16 May 2022

Responsibilities:

- To give shape and execute business strategies for Group International and Group Corporate Banking Business in addition to overseeing and leading regional business and operations in RHB Singapore, Cambodia, Thailand, Laos and Brunei apart from corporate lending business in Malaysia

Experience:

- More than 20 years of experience as a finance professional with exposure in trade finance, capital markets, financial services, investment banking and corporate banking. As a Maybank scholar, had the opportunity to rotate amongst other business groups
- Prior to joining RHB, spent 15 years with Maybank Group with last position as Director, Client Coverage (Private Sector)

Qualifications:

- Bachelor of Business Administration, National University of Malaysia
- Graduate, Executive Development Program, Chicago Booth, Executive Education
- Senior Leadership Development Programme, INSEAD

Appointments:

- Director, RHB Bank (L) Ltd

External Memberships:


- Association of Banks in Malaysia
- Asian Institute of Chartered Bankers
- Asia Pacific Loan Market Association

07

GANESH SABARATNAM

MD/CEO, RHB Investment Bank &
Head, Group Investment Banking

 56 years old  Malaysian  Male

 1 July 2021

Responsibilities:

- Lead, build and drive the overall growth and profitability of Group Investment Banking (GIB) in Malaysia and South East Asia (SEA) in line with the Group's strategic aspirations
- To position RHB Investment Bank as the leading and go-to Investment Bank in Malaysia

Experience:

- Over 25 years of experience across investment banking, global markets and private equity
- Prior to this appointment, he was a Partner at Grant Thornton Specialist Advisory Services Singapore and Senior Partner at Oxley Capital Partners, Singapore, a private equity firm
- Held various senior positions with bulge bracket investment banks, including as CEO and Country Manager of Barclays Corporate and Investment Bank Malaysia, and MD of Barclays IB South East Asia (SEA); Head of Malaysia and Thailand, Credit Suisse IB; Head of Asset Liability Management SEA Global Markets, Rabo Bank Singapore; and Head of Money Market Short Term Interest Rates Trading Global Markets, Deutsche Bank Malaysia
- Held various roles in trading, structured products, risk solutions and treasury at Bank of America Global Markets (BofA) London, and posted to BofA Hong Kong, Tokyo, San Francisco and Malaysia
- Originated and structured various transactions which included transformational multibillion dollar cross border mergers and acquisitions in SEA, Australia, Europe, the Middle East and the United States. Additionally, IPO for SEA companies, USD bond and convertible bond issuances, structured lending, leveraged buyouts, private equity, platform builds, joint ventures, corporate restructuring, distressed debt, structured products as well as trading of credit, swaps/derivatives and hedging risk solutions for clients in commodities, rates and currencies

Qualifications:

- M.Sc Finance in Financial Economics and Capital Markets, University of London, United Kingdom
- B.Sc Joint Honours in Engineering Production and Economics, University of Birmingham, United Kingdom

External Memberships:

- Council Member of Malaysian Investment Banking Association ("MIBA")

08

OLIVER TAN CHUAN LI

Managing Director, RHB Insurance

 56 years old  Malaysian  Male

 21 February 2022

Responsibilities:

- Lead, manage and grow Insurance business to ensure alignment with the Group's strategic aspirations

Experience:

- More than 20 years of experience within the insurance industry locally and regionally
- Held various leadership roles, including Chief Executive Officer KWI Insurance Thailand, Chief Executive Officer MPI Generali Insurans Berhad as well as Chief Executive Officer Swiss Reinsurance Company Limited in Kuala Lumpur
- Managed businesses in Malaysia, Vietnam, Cambodia, Laos, Brunei and Myanmar
- Served in various management positions in AIU Insurance Company Limited in Shanghai, AXA General Insurance Hong Kong Limited and ACE Synergy Insurance Berhad Malaysia

Qualifications:

- Bachelor of Laws, Staffordshire Polytechnic, UK
- Certificate in Legal Practice (CLP), University Malaya
- Fellow of Malaysia Insurance Institute since 2017

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DR CHONG HAN HWEE

Group Chief Risk Officer

 47 years old  Malaysian  Male

 28 September 2020

Responsibilities:

- Managing Group-wide Risk and Credit Management in alignment with Group Risk Appetite
- Quantifying Strategy on Climate Risk:
 - (i) Managing the pathway to Net-Zero commitment
 - (ii) Identifying sectoral opportunities
 - (iii) Embedding climate considerations into credit underwriting
- Driving timeliness of emerging risk management
- Transforming risk management to meet the control needs of the digital era from Strategic, Performance, Analytics and Talent perspectives

Experience:

- Over 20 years of experience in advising and managing risk in the financial sector
- Assisted financial institutions across Australia, ASEAN and the Middle East
- Prior to joining RHB, Dr Chong was a Partner in EY Malaysia where he built the Financial Services Risk Management Practice since 2012

Qualifications:

- Bachelor of Commerce in Economics and Finance (1st Class Honours), Curtin University of Technology, Australia
- Doctor of Philosophy in Economics, Curtin University of Technology, Australia

10

RYAN TEOH JUN FATT

Group Chief Strategy & Innovation Officer

 40 years old  Malaysian  Male

 1 November 2022

Responsibilities:

- Responsible for driving the Group's strategic priorities, charting and maintaining the course of the Group's long term strategy (TWP24), pursuing strategic partnerships/joint-ventures/M&A for inorganic growth, and driving an uptick in the use of analytics within the Group
- Focus on seeding innovation and nurturing Digital as a competitive advantage for the Group, including the operationalisation of the Group's upcoming Digital Bank in partnership with Boost

Experience:

- More than 15 years of experience in helping companies across South East Asia develop growth strategies, pursue new digital business opportunities, unlock value via customer analytics, and build future-ready workforces
- Prior to joining RHB, Ryan was a strategy consulting Director at Strategy& (formerly Booz & Company), a global strategy consulting business within the PwC network

Qualifications:


- Master in Business Administration from INSEAD
- Bachelor of Science (1st Class Hons) in Computing from Staffordshire University, United Kingdom

11

DAVID CHONG MING LIANG

Group Chief Operations Officer

 55 years old  Malaysian  Male

 2 February 2021

Responsibilities:

- Oversee the overall RHB Banking Group's operations within Malaysia and ASEAN to achieve excellence, continued improvement and optimisation across the Group's operation functions including credit operations, treasury operations, banking and payment operations, investment banking and asset management operations, as well as the call centre and property services
- Provides leadership in driving customer experience and operational excellence strategy and programmes Group-wide, which includes initiatives on robotic process automation

Experience:

- More than 25 years of experience in various global consulting organisations and Malaysian financial services institutions
- Has covered diversified roles in operational transformation, programme management, strategic planning, analytics and Customer Relationship Management (CRM), as well as business and marketing leadership roles
- Prior to the current role, was the Group Chief Digital Officer of RHB Banking Group

Qualifications:

- Chartered Certified Accountant, UK
- Master of Business Administration, Strathclyde University, UK

Appointments:

- Director, Financial Park Labuan Sdn Bhd

12

WONG KWANG LEH

Group Chief Technology Officer

 52 years old  Malaysian  Male

 10 October 2022

Responsibilities:

- Drive the Group's technology transformation under the TWP24 programme, supporting the Group's growth trajectory
- Modernise RHB's IT capabilities and improve the Bank's overall competitiveness and service excellence

Experience:

- Has over 25 years of experience in IT that includes core banking integration, IT strategy and planning, enterprise architecture, data and information management, IT security, technology risk management and IT governance
- Joined RHB in 2014 as the Head of IT Strategy and Enterprise Architecture and was subsequently appointed as the Head of Group Technology Services
- Prior to joining RHB, he spent 13 years with Accenture as a technology consultant delivering IT projects and advisory across various industries. He started his career as a software engineer

Qualifications:

- Bachelor of Engineering in Electronic Engineering from University of Southampton, UK

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NORAZZAH SULAIMAN

Group Chief Sustainability & Communications Officer

 56 years old  Malaysian  Female

 27 July 2017

Responsibilities:

- Lead and drive the Group's Sustainability and climate agenda as well as the integration of Environmental, Social and Governance ("ESG") considerations into the Group's business and decision making process
- Drive sustainability capability building as well as culture transformation across the Group
- Promote greater disclosure and transparency in line with regulatory requirements and international best practices
- Drive and build the Group's brand and reputation, both domestically and regionally, through strategic communications, media relations, customer and stakeholder engagement, and crisis management
- Lead RHB Foundation in fulfilling its vision and objectives, through impactful community engagement programmes and initiatives that benefit the targeted segments of the community focusing on youth and the underprivileged segments

Experience:

- More than 25 years of experience in various management positions in the financial services sector, predominantly covering legal advisory, human resource management, corporate services, strategic communications, sustainability management and driving community engagement

Qualifications:

- Bachelor of Laws ("LLB") with Honours, University of Warwick, United Kingdom
- Senior Leadership Development Programme, INSEAD

Appointments:

- Chief Executive Officer, RHB Foundation
- Board of Trustees, RHB - UKM Endowment Fund
- Member of ESG Committee, Association of Banks in Malaysia

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FAZLINA MOHAMED GHAZALLI

Group Chief Compliance Officer

 53 years old  Malaysian  Female

 1 June 2018

Responsibilities:

- Lead and execute Group-wide compliance strategic plans that enables RHB Banking Group to comply with regulatory requirements
- Key area of responsibilities include establishing comprehensive compliance policies and framework, monitoring the overall compliance risk of the Group and ensuring timely identification and reporting of new/emerging compliance risk

Experience:

- More than 21 years of experience in banking sector
- Prior to joining RHB, she was a senior associate of a leading law firm, specialising in property and financial services matters and thereafter, she went on to serve for 5 years as the Head of Legal of a development bank
- She started her career in RHB in 2005 as a senior legal officer and was subsequently appointed as the Head of Group Legal in 2008. She went on to become the Head of Group Compliance in 2016 and assumed her current role as the Group Chief Compliance Officer in 2018

Qualifications:

- Bachelor of Laws, University of East Anglia, United Kingdom
- Certified Professional in Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT")
- Chartered Banker, Asian Institute of Chartered Bankers

Appointments:

- Director, RHB Corporate Services Sdn Bhd

External Membership:

- Asian Institute of Chartered Bankers

15

ALEX TAN AUN AUN

Group Chief Internal Auditor

 59 years old  Malaysian  Male

 1 October 2017

Responsibilities:

- Lead the internal audit function of RHB Banking Group and reports to the Board Audit Committee
- Provide the Board with independent assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes

Experience:

- More than 28 years of experience in various management positions in the banking sector
- Over 12 years of experience in internal auditing and appointed as the Group Chief Internal Auditor in October 2017

Qualifications:

- Bachelor of Commerce (Finance), University of Toronto, Canada
- Senior Leadership Development Programme, INSEAD

External Membership:

- Institute of Internal Auditors Malaysia (IIAM)
- Asian Institute of Chartered Bankers (AICB)

16

WAN MARIAH ABU HASSAN

Group Chief People Officer

 49 years old  Malaysian  Female

 1 December 2022

Responsibilities:

- Drive and implement human capital agenda that effectively supports the Group's mission and strategic vision with focus on accelerating capability and strengthening talent pipeline
- Embed a people-first culture as part of the Employee Value Proposition for the Group
- Curate transformation initiatives that drive high performance culture and engagement across the Group
- Modernise Human Resource policies and processes across the Group with the aim to optimise productivity and resources

Experience:

- More than 20 years of HR experience from various industries such as FMCG, retail and banking
- Prior to joining RHB, was the Transformation and Enabling Function HR Director for Coca Cola BIG, and before that, Head of Human Capital with Bank Rakyat, where she was accountable for the change and adoption strategy

Qualifications:

- Malaysian Institute of Human Resources Management

External Membership:

- Malaysian Institute of Human Resource Management

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Declaration:

Save as disclosed, the Group Senior Management have:

1. no family relationship with any Director and/or major shareholder.
2. no conflict of interest with RHB Bank and have never been convicted of any offence within the past five years nor have had any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year under review.

Corporate Information

COMPANY SECRETARIES

Azman Shah Md Yaman
(LS 0006901)

Hasnita Sulaiman
(MAICSA No. 7060582)

REGISTERED OFFICE

Level 10, Tower One
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel : +603 9287 8888
Fax : +603 9281 9314
Corporate Website : www.rhbgroup.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor

For shareholders' enquiries

Helpdesk No. : +603 7890 4700
Fax : +603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

COMPANY REGISTRATION NUMBER

196501000373 (6171-M)

AUDITORS

PricewaterhouseCoopers PLT
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur
Tel : +603 2173 1188
Fax : +603 2173 1288



Group Organisation Structure



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Corporate Governance Overview Statement

OUR COMMITMENT – SUSTAINING OUR VALUE THROUGH STRONG GOVERNANCE

2022 saw the global economic landscape experienced a slow paced trajectory towards recovery with rising cost of living and inflation following the global impact of the COVID-19 pandemic. Economic experts have forecasted marginal global economic growth between 2022 and 2023. Against this backdrop and challenging operating environment, the Board has remained resolute in growing the Group by leveraging on our strong fundamentals. We remain dedicated to sustain and grow our business in tandem with our stakeholders, working together between our capable leadership team and customers, reflecting our ambition in *Making Progress Happen for Everyone*.



TAN SRI AHMAD BADRI MOHD ZAHIR
Non-Independent Non-Executive Chairman

Staying true to our strong fundamentals, the Board strived to ensure we maintained a steady performance whilst overseeing a wide range of matters which include oversight of financial and non-financial performance, human capital, overall business strategy and priorities, compliance and risk management including sustainability risks as well as corporate governance policies and practices. We also welcomed a new member to the Board as we oversaw changes to our senior leadership with the elevation of Encik Mohd Rashid Mohamad to the position of Group Managing Director/Group Chief Executive Officer of RHB Banking Group (“RHB”). The appointment of Encik Mohd Rashid from within ensured that we maintained continuity of our vision to progress and our commitment to our long-term strategy and is a testament to our faith in our succession planning process.

As a financial institution operating in a complex and constantly evolving environment, whether it relate to changes in technology, climate or the other types of ever-present risks that our operations and stakeholders are exposed to, we strive to ensure our governance framework remains resilient, relevant and is applied consistently across our operating networks. The ever evolving environment coupled with the backdrop of persisting COVID-19 challenges, led to the Board, along with the leadership team to revise the Group’s long-term strategy introduced in early 2022 and present a new fine-tuned strategic plan, namely, TWP24. This move allowed the Group to align our expectations with the current conditions of the financial market and our stakeholders’ expectations.

In addition to the Group Sustainability Committee established in 2021 at the management level, the Group further enhance our Sustainability governance structure with the establishment of a Board Sustainability Committee (“BSC”) comprising of members with varied and diverse background and experience .

The Group has put in place a Responsible, Accountable, Consulted and Informed (“RACI”) Framework for the Board Sustainability Committee, Board Risk Committee (“BRC”), Board Nominating & Remuneration Committee (“BNRC”), and Board Audit Committee (“BAC”) as guidance in their deliberation and decision making process on ESG and climate related matters. The RACI Framework shall ensure that the respective Board Committees will continue to have oversight and decision making authority on the areas of ESG and climate that fall within the respective Board Committees’ purview.

Thee Group Sustainability Strategy and Roadmap sets out the Group’s approach in managing material matters, mitigating negative impacts and contributing towards sustainable development. The Strategy and Roadmap is anchored against 3 thematic sustainability pillars, namely; Sustainable and Responsible Finance, Embedding Good Practices and Enriching and Empowering Communities. Within each pillar, the Group has identified key focus areas that are material to the Group’s business and operations as well as its stakeholders.

“Pathway to a Climate-Resilient Future” has been included as a sub-pillar within the Group 5 Year Sustainability Strategy and Roadmap. The new sub-pillar represents our approach to managing our own operational carbon emissions; and addressing our financed emissions across key business sectors and activities by integrating climate into our risk management approach and identifying climate change adaptation and mitigation commercial opportunities.

During our inaugural “Integrity Week” event for internal stakeholders, we undertook the Corruption Free Pledge in November 2022, led by the Group Chairman, as witnessed by the Chief Commissioner of the Malaysian Anti-Corruption Commission. This marked a milestone for RHB in our efforts to ensure we remain resolute in upholding our zero-tolerance approach in our standing as a corruption free organisation. We also marked the occasion by launching our very own Organisational Anti-Corruption Plan (2022-2026) which will serve as a blueprint over the coming years to address any weakness within our controls and to ensure we remedy them in a timely manner.

To make certain all the Board’s initiatives and targets are implemented accordingly, the Board has in place an adequate Group-wide governance framework to facilitate and support efficient co-operation and communication between the Board and Senior Management. Our sustainability and governance framework will ensure we remain resilient as we strive to deliver value to both our internal and external stakeholders as we strive towards *Making Progress Happen For Everyone*.

On behalf of the Board
TAN SRI AHMAD BADRI MOHD ZAHIR
Chairman, RHB Banking Group

This RHB Corporate Governance Overview Statement should be read together with its Corporate Governance Report which can be downloaded from the Group’s corporate website at www.rhbgroup.com or the Bursa Malaysia announcement web page. This overview statement is guided by the principles and practices espoused by the Malaysian Code on Corporate Governance (“MCCG”).

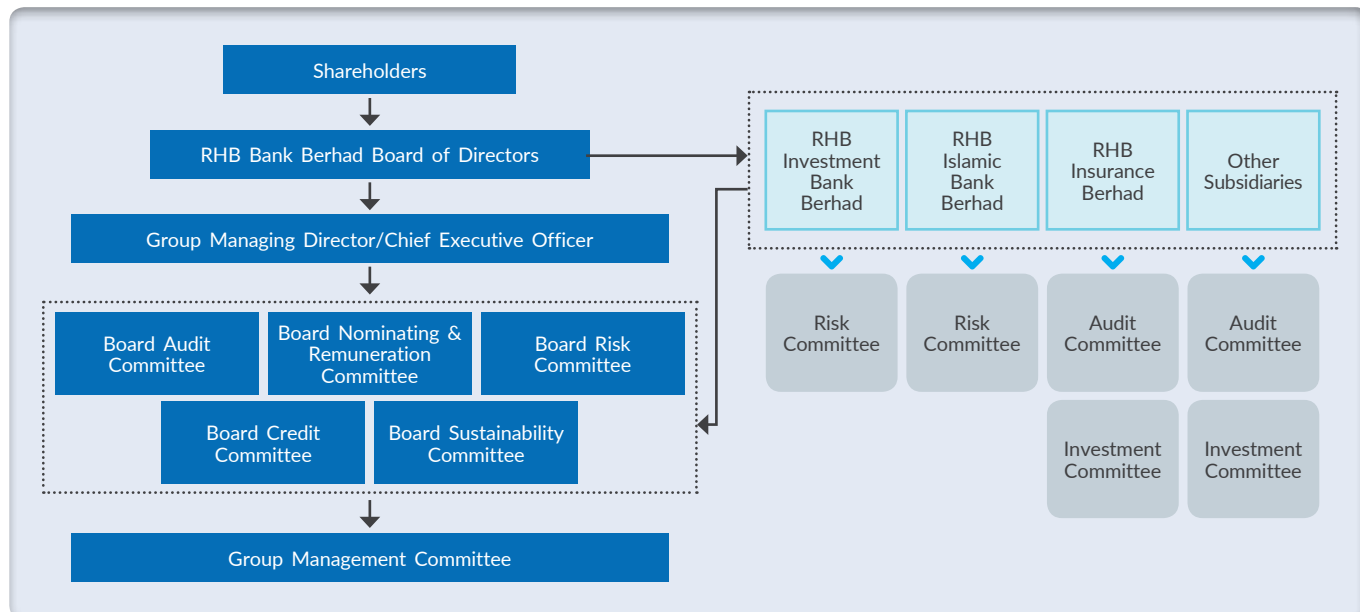
APPLICATION OF THE PRACTICES ESPOUSED BY THE MCCG

RHB Bank Berhad (“RHB”) has adopted and applied all Practices as recommended by the MCCG except **Practice 8.3 – Step up** which requires *disclosure on the detailed remuneration of each member of Senior Management on a named basis*.

Governance Framework

As a listed financial institution, RHB’s corporate governance practices are regulated in tandem with the Bursa Malaysia Main Market Listing Requirements, the Bank Negara Malaysia (“BNM”)’s Policy Document on Corporate Governance and the Malaysian Code on Corporate Governance (“MCCG”). The Board ensures we comply to the exceptional standards set by our regulators by having in place a Group-wide Governance Framework which sets the minimum standards and practices that need to be observed by its subsidiary companies.

As such, the Group operates within a clearly defined governance model which is approved by the Board. This model provides the Group with a clear governance structure which guides the governance practices and authority of decision-making across the Group. This delegation of authority is clearly defined within the Terms of Reference (“ToR”) of the respective Board Committees. The ToRs are reviewed periodically by the Board and respective Committees to ensure their mandates are carried out in-line with the best practices and regulatory requirements. The composition of the Board Committees is periodically reviewed by the Board and where required, improved with the support of the Board Nominating & Remuneration Committee.



The Board has a formal schedule of matters specifically reserved to it for decision as noted below and delegates other responsibilities to Management for day-to-day operations. Decisions made by the Board during deliberations are only approved when there is unanimous support and agreement.

Matters Reserved for the Board

- I. Business and operating strategies
- II. New business plans or changes to existing ones
- III. New investments/divestments
- IV. Mergers and Acquisitions
- V. Expansion/entry into new markets geographical regions
- VI. Corporate restructuring/reorganisation
- VII. Set-up of new subsidiaries/Joint Ventures
- VIII. Partnerships or strategic alliances
- IX. Acquisitions/disposal of significant assets
- X. Progress of TWP24

AWARDS & RECOGNITION ACKNOWLEDGING OUR GOVERNANCE PRACTICES

- 1 ASEAN CG Awards 2021 (assessed in 2022)
 - ASEAN Asset Class PLC Award
- 2 MSWG MALAYSIA-ASEAN CG Awards
 - Industry Excellence Award – Financial Services
- 3 FTSE4Good Bursa Malaysia Index: Scored 3.9 and 74th percentile
- 4 MSCI ESG Ratings: AA (Leader)
- 5 Cambridge IFA’s 7th Global Good Governance (3G) Awards 2022
 - 3G Excellence in Corporate Governance Award 2022
 - 3G Sustainable Banking Award 2022
- 6 Pinnacle Group’s 14th Annual Global CSR & ESG Summit and Awards 2022
 - Bronze for CSR & ESG Leadership Award

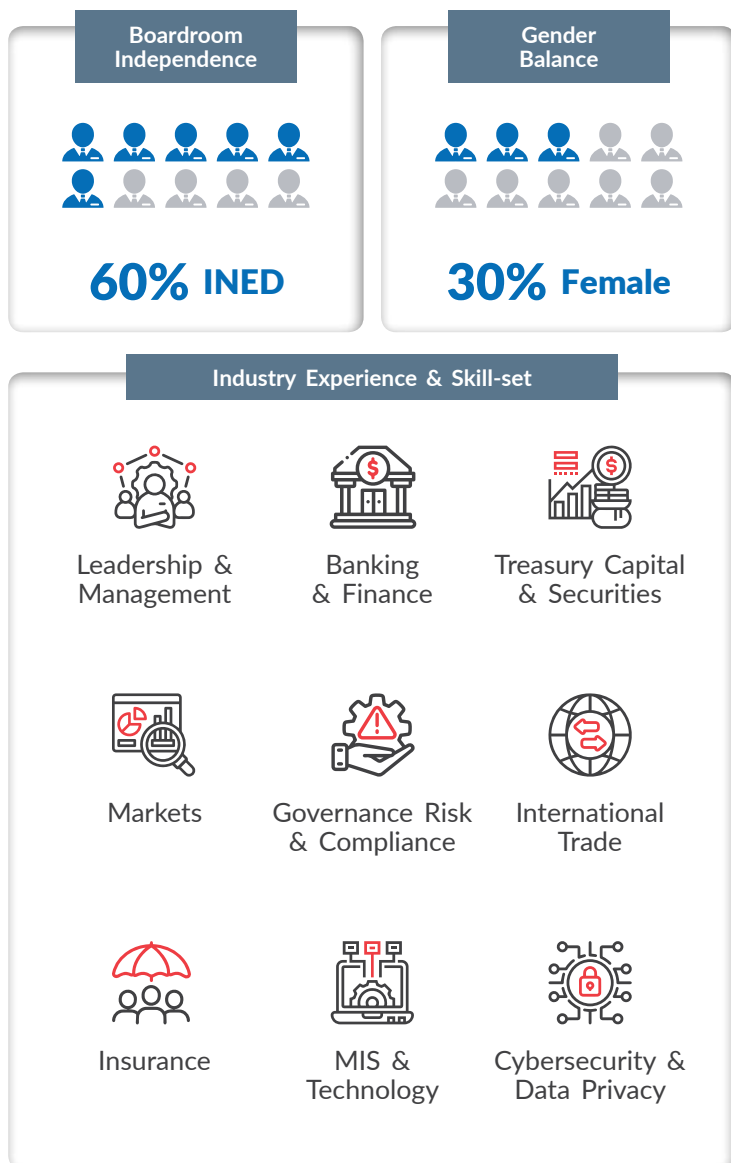
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Corporate Governance Overview Statement

Composition of the Board

RHB has a diverse Board in terms of gender, skillset and experiences. There are **six** Independent Non-Executive Directors (“INED”), **three** Non-Independent Non-Executive Directors (“NINED”) and **one** Executive Director (“ED”) i.e. the Managing Director/CEO serving on the Board.

The composition brings together relevant business and industry experience needed to oversee the intrinsic operations of the Group’s activities. Members appointed to the Board contribute a diverse range of skills, knowledge and experience (including financial and non-financial, industries and local and international experiences), that provide effective governance and oversight of the Group. For RHB, board diversity adds value to discussion and deliberation of the Group’s business operations with strong opinions and challenges from the independent and non-independent viewpoints.



BOARD AND BOARD COMMITTEES’ MEETING ATTENDANCE IN 2022

The Board and Board Committees continued meeting regularly to carry out their respective duties and responsibilities. The information on the percentage of Board and Board Committee meetings attended by Directors and board/board committee composition of independent directors (“ID”) are shown below:

96% Board 60%

The Board is responsible for the long-term success of the company and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets new strategic direction of the company and exercises oversight on management. The Board met 16 times in 2022.

SUPPORTING COMMITTEES

1. Board Audit Committee (“BAC”)
2. Board Nominating & Remuneration Committee (“BNRC”)
3. Board Risk Committee (“BRC”)
4. Board Credit Committee (“BCC”)
5. Board Sustainability Committee (“BSC”)

97% BAC 100%

BAC is responsible for independent oversight over the management of financial reporting and internal control systems. The BAC ensures ‘check and balance’ for entities within the Group and reviews the financial condition as well as the operational performance of the Group. The BAC also oversees the implementation of anti-corruption programmes by the Group Integrity & Governance division and receives monthly updates on whistleblowing cases. The BAC has oversight and decision making authority on the areas of ESG and climate that fall within the BAC’s purview. The BAC met 12 times in 2022.

COMMITTEE MEMBERS

1. Ms Ong Ai Lin (Chairperson)
2. Mr Donald Joshua Jaganathan
3. Datuk Iain John Lo

96% BNRC

75%

The BNRC supports the Board in reviewing and assessing the appointment, performance and remuneration of the Directors, Board Committee members and key Senior Management officers who include the Group Managing Director (“GMD”), the MD/CEO who reports directly to the GMD, and any person(s) as may be decided by the BNRC and makes recommendations to the Board(s). The BNRC had 13 meetings in 2022.

▶ COMMITTEE MEMBERS

1. Tan Sri Dr Rebecca Fatima Sta Maria (Chairperson)
2. Dato’ Mohamad Nasir Ab Latif
3. Datuk Iain John Lo
4. Puan Sharifatu Laila Syed Ali

93% BRC

100%

The BRC provides oversight and governance of risks, including ESG and climate-related risks for the Group. It oversees Senior Management’s activities in managing risk and ensures that the risk management process of each entity within the Group are put in place and functioning. The BRC also ensures that the management of the Group’s risk is in accordance with a sustainable risk-return performance management framework. The BRC met 18 times in 2022.

▶ COMMITTEE MEMBERS

1. Mr Donald Joshua Jaganathan (Chairperson)
2. Ms Ong Ai Lin
3. Mr Lim Cheng Teck
4. Dr Chin Yoong Kheong

100% BCC

66%

The BCC has the responsibility of affirming, vetoing or imposing additional conditions on all types of credit applications (including understock/futures broking) and all types of underwriting applications for amounts above the defined thresholds of the Group Credit Committee (“GCC”) and the Group Investment & Underwriting Committee (“GIUC”), of which both reside at the Management level. The BCC had 32 meetings in 2022.

▶ COMMITTEE MEMBERS

1. Dato’ Abd Rahman Dato’ Md Khalid (Chairperson)
2. Tan Sri Ong Leong Huat @ Wong Joo Hwa
3. Mr Lim Cheng Teck



100% BSC

75%

The BSC supports the Board in providing oversight and in ensuring the integration of sustainability matters, including climate related considerations into the Group’s long term corporate strategy and decision making process. The BSC met 2 times in 2022.

▶ COMMITTEE MEMBERS

1. Datuk Iain John Lo (Chairman)
2. Dato’ Mohamad Nasir Ab Latif
3. Tan Sri Dr Rebecca Fatima Sta Maria
4. Mr Donald Joshua Jaganathan

 Meeting Attendance  Composition of Independent Directors (“ID”)

For detailed information on Board and Board Committees attendance, kindly refer to RHB’s Corporate Governance Report 2022. 

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BOARD ACTIVITIES & FOCUS DURING THE YEAR

In 2022, the Board approved our new 3-Year Corporate Strategy i.e. "Together We Progress 2024" ("TWP24"), which aims to build on the foundation of our previous FIT22 strategy and supercharge the next phase of growth. TWP24 will drive the Group's ambition to be a leader in Service Excellence, in line with our new Purpose Statement of 'Making Progress Happen for Everyone', centred around three strategic objectives - Be Everyone's Primary Bank, Prioritise Customer Experience, and Drive Quality Growth. Our TWP24 strategy highlights a strong customer-first culture and continues to enhance new customer centric ideation through seven key focus areas. The focus areas are designed to promote a more robust performance, enabled by enhanced digital, IT and analytics capabilities, and to position the Group as a key player in the sustainability space.

The continued presence of the COVID-19 pandemic within our operating environment has proven to be a challenge for many players within the industry and as a financial institution, we understand the far reaching implications that accompany the economic slowdown that has shadowed many of our stakeholders. We are conscious that our efforts to ensure RHB's long-term business sustainability should include consideration to our stakeholders and how we can together improve their standing through our success. With these considerations in mind, the Board continued its attentive oversight of Management by embracing highest standards of corporate governance and giving consideration to Environmental, Social and Governance ("ESG") related matters to support the Board's agenda to take the Group's businesses forward. The Board was involved and regularly updated by Management during the respective Board and Board Committees' meetings held in the calendar year on the progress of key areas as shown below:

Governance, Sustainability, Risk & Compliance

- Approved the establishment of the Board Sustainability Committee
- Reviewed the Group's risk, compliance and audit reports
- Received various briefing/trainings to equip themselves with latest industry and regulatory developments
- Reviewed the Group's annual Corporate Governance statutory disclosures
- Discussed on the findings and improvement considerations deriving from the annual BEE assessment conducted by an independent external party (periodically required for an independent assessment by a third party)
- Received updates on ESG/Sustainability and Climate Risk Management
- Received regular updates from relevant Board Committees
- Reviewed half-yearly reports to Malaysian Anti-Corruption Commission ("MACC")
- Received updates on matters relating to integrity, governance, whistleblowing and anti-corruption
- Reviewed and received progress updates on RHB Banking Group's Sustainability Strategy and Roadmap (2022 - 2026)
- Received updates on RHB's AML/CFT Capabilities Enhancement (RACE) programme

TWP24 Focus Areas

These strategic objectives will be delivered through 7 focus areas:

-  Be the Primary Financial Services Provider
-  Integrate into Key Islamic Ecosystems
-  Build an Integrated Overseas Business
-  Catalyse Sustainability
-  Employ Cutting Edge Technology
-  Develop a Future-ready Workforce
-  Accelerate Intelligent Banking Services

CORPORATE GOVERNANCE ("CG") - PROGRESS AND MILESTONES

01

Reflection on Key CG BOARD FOCUS AREAS in 2022

- Approved RHB's 3-year (2022-2024) latest strategic roadmap (TWP24)
- Continued to monitor and review the progress of RHB Banking Group's Sustainability Strategy and Roadmap (2022-2026)
- Continued to monitor the impact and accord the necessary protection for our Human Capital throughout the COVID-19 pandemic
- Conducted annual Board Effectiveness Evaluation for FY2021/2022
- Oversaw Strategic Succession Planning & Performance Appraisal for key senior management personnel
- Reviewed Board Charter & Board Remuneration
- Oversaw adoption of updated internal Group Policies and Guidelines by regional subsidiaries
- Approved RHB Banking Group's Organisational Anti-Corruption Plan ("OACP") for RHB Banking Group (2022-2026)
- Undertook Corporate Integrity Pledge group-wide
- Continued to assess strategies related to developing and retaining the Group's Human Capital

Performance and Strategy

- Reviewed and approved the Group's strategic business plan for the year
- Reviewed and revised the Group's strategic plan – TWP24
- Received updates from various business units locally and abroad on market conditions and business performance
- Focused on business opportunities and areas requiring review
- Discussed on the challenges and opportunities faced by the Group during the Board off-site session
- Received updates on the progress of Agile@Scale implementation
- Continued to review and assess the impact of COVID-19 on the Group's business operations and financial performance
- Received progress updates on the Group's digital banking initiatives and IT transformation

Financial

- Approved the operational budget for FY2023
- Approved contents of the Integrated Report for FY2021
- Endorsed dividend payment for FY2021/2022
- Reviewed the impact of Moratorium to the Group's financial strategies
- Deliberated various matters related to Moratorium for its stakeholders
- Received updates related to economics and global financial markets
- Received update on Tax related matters
- Reviewed and endorsed the revised Board Remuneration Package
- Assessed Recovery Planning Programme

People & Culture

- Discussed on talent management and succession planning
- Approved appointment of senior management personnel
- Received update on employees' satisfaction surveys
- Received reports on COVID-19 impact on employees' well-being and performance
- Received briefing and update on review of employees' remuneration
- Approved one-month early bonus payout for eligible staff to help alleviate hardship and provide some relief for their children in preparation for new school term

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Future Priorities & Aspirations – BOARD FOCUS AREAS in 2023

- Monitor the progress of the Group's strategic roadmap
- Review the Group's various Guidelines
- Oversee the progress of the OACP implementation progress
- Monitor and review the progress of RHB Banking Group's Sustainability Strategy and Roadmap (2022-2026)
- Conduct annual Board Effectiveness Evaluation for FY2022/2023
- Enhance regional reach leveraging on existing network or establishing new networks

04

BOARD FOCUS AREAS in 2025

- Conduct externally facilitated annual Board Effectiveness Evaluation for FY2024/2025
- Monitor the progress of the Group's new strategic roadmap
- Review the progress of key milestones set within the approved OACP

03

BOARD FOCUS AREAS in 2024

- Perform annual Board Effectiveness Evaluation for FY2023/2024
- Review existing Group's strategic roadmap
- Review the progress of key milestones set within the approved OACP
- Review Group Anti-Bribery & Corruption Policy
- Review Group Whistleblowing Policy
- Oversee succession planning for INEDs

05

BOARD FOCUS AREAS in 2026

- Enhance regional reach leveraging on existing network or establishing new networks

Corporate Governance Overview Statement

Activities undertaken by Board Nominating & Remuneration Committee (“BNRC”)

The BNRC plays an important role in ensuring the Board composition is well balanced and members appointed to the Board and Board Committees are able to contribute positively to the Group. The BNRC also ensures the composition of the Boards and Board Committees within the Group is refreshed periodically and the tenure of each Director is reviewed in line with the regulatory requirements. The re-election of a Director is contingent upon the satisfactory evaluation of the Director’s performance and contribution to the Board as assessed by the BNRC. A summary of the key activities undertaken by the BNRC for FY2022 is shown below:

- 01 Reviewed the appointment of the new Group Managing Director/Chief Executive Director of RHB Banking Group
- 02 Reviewed and approved the appointment of Key Senior Officers and Material Risk Takers within RHB Banking Group
- 03 Reviewed the appointment and reappointment of candidates to the Boards of RHB Banking Group of companies
- 04 Approved the appointment of company secretaries within RHB Banking Group
- 05 Conducted the fit and proper assessment of Key Responsible Persons of RHB Bank Berhad, RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad
- 06 Reviewed the proposed revised organisational structure of RHB Banking Group
- 07 Reviewed the revision to the Board membership and remuneration guideline
- 08 Reviewed the composition of Board Committees for specific subsidiaries
- 09 Carried out the assessment on Independence of Independent Directors of RHB Banking Group
- 10 Approved introduction of the Eligible Recipients and the Share Allocation for the Employee Share Grant/LTIP Scheme
- 11 Assessed Board & Individual Director’s Performance for FY2021/2022
- 12 Reviewed and approved candidates proposed for appointment as Directors within the Group
- 13 Refined performance management framework and its linkage to staff rewards

Board & Senior Management Remuneration

The Board ensures the remuneration package offered promotes the achievement of strategic objectives within the ambit of RHB’s cultural components, risk appetite and regulatory compliance. The BNRC has been entrusted with discharging the remuneration strategies, as outlined in its Terms of Reference, which can be referred on RHB’s corporate website.

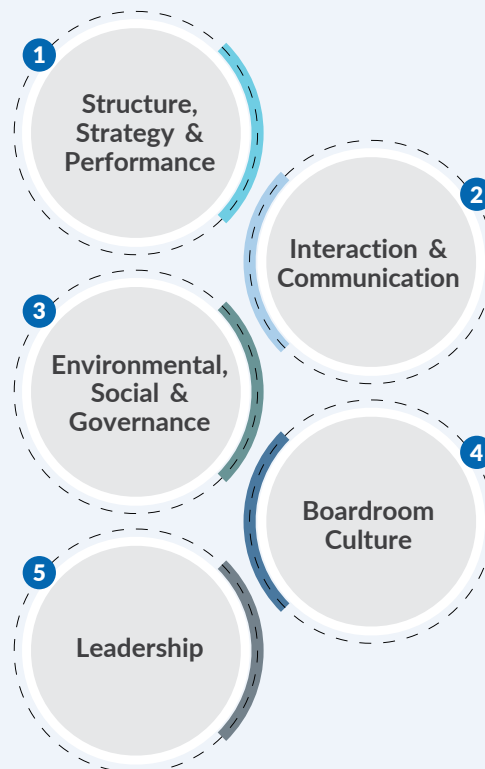
Detailed information on RHB’s remuneration practice is set out in Section B of our Corporate Governance Report 2022. [🔍](#)

Assessment of Board & Individual Director’s Performance for FY2021/2022

The Board continued its annual self-evaluation via the Board Effectiveness Evaluation (“BEE”) exercise reflecting its performance for FY2021-FY2022. Unlike previous years, the assessment was done to cover a period of **18 months**, from **1 January 2021 to 30 June 2022**. As the BEE is always fluid in its process and timeline, this allows Group to redesign, conduct and generate results for the current financial year of reporting. The internal assessment covered three main areas:

PART A: BOARD EVALUATION

Part A evaluated **overall behaviours and culture** of the **Board and Board Committees**. The BEE evaluated the Board as a collective unit based on **five (5) dimensions**, namely:



PART B: DIRECTORS' SELF & PEER-ASSESSMENT

Part B evaluated individual Board member's **contribution** to the Board and **competencies** of each Board member which included:



PART C: COMPANY SECRETARY EVALUATION

Part C was to detect and evaluate the Board's **satisfaction level** with regards to the **performance of the Company Secretary**. The evaluation will be used in addition to the existing performance scorecard to measure and improve the deliverables and services rendered by Company Secretary to the Board and Board Committees.

RESULTS AND ACTION PLAN OF THE BEE

Overall, the assessment provided valuable contribution towards the areas of strength and improvement for the Board and sub-committees. Key BEE findings included:

Dimensions	Structure, Strategy & Performance	Interaction & Communication	Boardroom Culture	Environmental, Social & Governance	Leadership
Areas of Strength	<ul style="list-style-type: none"> There is effective oversight on matters relating to execution of strategy and its results. 		<ul style="list-style-type: none"> There is good discourse and interaction between board members. 		<ul style="list-style-type: none"> Equal opportunity presented to all members.
Areas for improvement	<ul style="list-style-type: none"> Focus on talent development and succession planning. Oversight on internal control functions. Directors training programmes. 	<ul style="list-style-type: none"> Timeliness & conciseness of the Board and Board Committee Papers. 		<ul style="list-style-type: none"> Oversight and participation on E.S.G. and sustainability matters 	

Additional information on the assessment process and the results of BEE for FY2021/2022, can be found under Practice 6.1 in RHB's Corporate Governance Report 2022. 🔍

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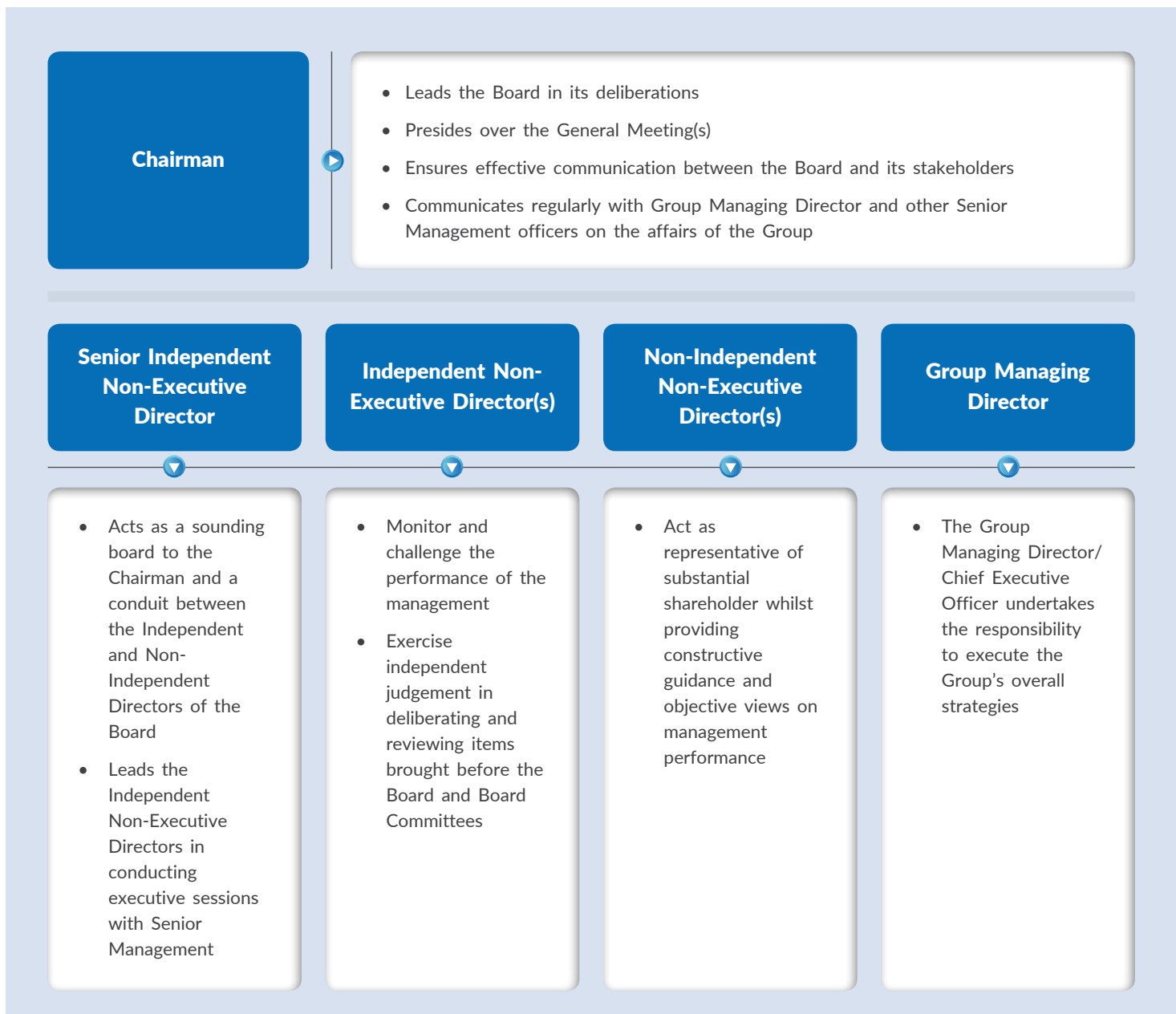
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Board Independence

The independence of the Directors is reviewed annually and benchmarked against best practices and regulatory provisions. The BNRC assesses the independence of INEDs via directors' self-declaration as well as the BEE exercise, which take into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. Based on the BEE results, the Board is generally satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interest of the Company.

At every Board Meeting, all Directors are required to disclose if they have any interest or any possible or potential conflict on matters put forth for deliberation and approval in the meeting. When required, the interested Director shall excuse himself and abstain from deliberation and voting to allow unbiased and free discussion and decision-making. In the event a corporate proposal requires shareholders' approval, interested Directors will abstain from voting in respect of their shareholdings in the Company (if any) and will further ensure that persons connected to them similarly abstain from voting on the resolution.

Roles and Responsibilities



Setting the tone on Governance, Risk & Compliance

The Board is responsible to ensure the Group has in place a structured and robust risk management and internal control system that allow our business operations to be carried out effectively and efficiently without compromising our quality or integrity in our ultimate aim to provide the best financial service to our stakeholders. This is done by exercising good business judgement when developing strategy, delivering objectives and managing the risks which accompany them by having a robust Enterprise Risk Management as part of our internal control system. The Board along with the Senior Management is committed to ensure the internal controls are tested, reviewed and strengthened allowing for effective risk management which support our strategic objectives.

Zero-Tolerance stance on Bribery & Corruption

The Board views the act of corruption as a corrosive practice that undermines an organisation’s credibility and ethical values. The Group has put in place various Policies and Guidelines that anchor our anti-corruption efforts, such as the Group Anti-Bribery & Corruption Policy, Group Whistleblowing Policy, Group Corporate Sponsorship & Donation Policy, Group Fit & Proper Policy and Group Gifts & Hospitality Guideline, emphasising strong internal controls towards creating a healthy and conducive business environment.

To further strengthen our resolve and continuing efforts in keeping RHB a corruption free organisation, we launched our Organisational Anti-Corruption Plan on 14th November 2022 which is a statement of intent from the Group, and represents an extension of our on-going anti-corruption efforts to deter and abhor possible acts of bribery and corrupt practices. This strategic document serves as a point of reference to the Group’s employees and business partners on the minimum standard of ethical business conduct that is expected of them. Through this, we identify the ‘pain-points’ and provide our commitment to resolve the gaps identified within the targeted timelines.

Core Shared Values

<p>P</p> <p>PROFESSIONAL</p> <p>We are committed to maintaining a high level of proficiency, competency and reliability in all that we do.</p> 	<p>R</p> <p>RESPECT</p> <p>We are courteous, humble and we show empathy to everyone through our actions and interactions.</p> 	<p>I</p> <p>INTEGRITY</p> <p>We are honest, ethical and uphold a high standard of governance.</p> 	<p>D</p> <p>DYNAMIC</p> <p>We are proactive, responsive and forward thinking.</p> 	<p>E</p> <p>EXCELLENCE</p> <p>We will continuously achieve high standards of performance and service deliverables.</p> 
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Cultivating & Nurturing Our Core Values

In our aim to strengthen our internal controls, the Board acknowledges that our people are our first line of defence and our values define who we are at RHB. The effort to ensure consistent application of values and cultural norms are supported by the tone at the top i.e. the Board and Senior Management who set, review and drive the application throughout the whole organisation. This is prevalent within the Group’s core values (P.R.I.D.E).

The Board continues to place emphasis on cultivating and nurturing a corporate culture that is inclusive, customer centric, productivity driven and high level of integrity. A strong corporate culture contributes to the identity and values of our organisation and supports our efforts to attract and retain the right talent, differentiate ourselves from our peers and highlight our corporate competitive advantage and brand identity.

ONE RHB

Demonstrate willingness to put the organisation’s needs over personal achievement by fostering teamwork, empowerment and knowledge sharing.

RESULTS ORIENTED

Demonstrate commitment and drive in delivering quality work output, and treat all matters with urgency.

CUSTOMER FIRST

Demonstrate unwavering passion to engage and interact with customers to meet their needs, and create great experience.

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CG Highlights

Continuous Professional Development

The Board has formally adopted a policy on Professional Development to ensure the Directors within the Group undertook necessary training programmes to ensure they were well equipped with industry and regulatory developments. Detailed information on the training programmes attended by individual Directors for FY2022 is provided under Section B of our Corporate Governance Report.

Board Diversity Policy

The Boards of RHB and its subsidiaries, are committed towards maintaining a board composition that embodies diversity. The Group is cognisant of the value arising from having a diverse Board composition as it is a crucial component in influencing how the Board functions and the dynamics between its members. The company currently has 30% female Directors serving on its Board. Apart from gender diversity, the Board Diversity Policy also recognises and emphasises diversity in its widest sense, including ethnicity, thought, tenure, age, experience, skills, geographical expertise, educational and professional background.

Company's Dividend Policy

Company has adopted a dividend policy where the dividend pay-out ratio is to be 30% of its net profit at minimum, providing a sustained return to the shareholders.

Independence and Fit & Proper Test

- The Chairman of the Board is not a member of any Board Committee.
- All INEDs have passed the annual 'independence' assessment and Fit & Proper requirement to ensure there is no possible or potential conflict of interest.

Board Governance Handbook

The Board has put in place a Board Governance Handbook ("BGH") for quick reference and easy guidance, namely on code of ethics and business conduct, diversity policy, remuneration policy, performance development and administrative matters.

Company Secretary and Chief Integrity & Governance Officer

Encik Azman Shah Md Yaman leads the Group's Legal, Secretariat & Governance functions. He is accountable directly to the Board, through the Chairman, on all matters with regards to the formal functioning of the Board. He leads and acts as the guardian to these policies and principles of good governance. Encik Azman is a qualified Advocate & Solicitor of the High Court of Malaya with an LLB (Honours) from the International Islamic University Malaysia ("IIUM"), a Licensed Company Secretary (LS 0006901) and an affiliate of the Malaysian Institute of Chartered Secretaries & Administrators.

> Board Meetings

The Board meetings for the calendar year are scheduled in advance, prior to the start of the new calendar year to ensure proper management of meetings and schedules for the Board. The agenda for each Board meeting is also set and disseminated in a timely and efficient manner prior to the meetings to allow Directors to prepare ahead of time.

> Communication with Stakeholders

The Board values the importance of having an open and timely communication channel with all stakeholders. This is carried out through various mechanisms such as:

- publication of Annual Reports, Financial Reports, Corporate Governance Reports and Sustainability Reports;
- general meetings, investors' conferences, roadshows, analyst briefings, media briefings/press conferences; and
- communication via electronic means such as RHB's corporate website and social media. The Group also has in place a dedicated Investors Relations ("IR") function to ensure stakeholders can reach out for information anytime and from anywhere. Stakeholders can contact the IR @ investor.relations@rhbgroup.com

> Communication with Stakeholders

The Group has in place a Policy on Related Party Transaction which guides the review and reporting of all related party transactions within the Group. Under this Policy, all related party transactions are reviewed by Group Legal prior to independent review by Group Internal Audit before any submission is made to the BAC for deliberation. The Group conducts all its related party transactions in a fair and transparent manner and will make the relevant disclosures as and when required under the relevant laws and regulations.

> Decision Making

The Board has a formal schedule of matters specifically reserved to it for decision as noted herewith and delegates other responsibilities to Management for day-to-day operations. Decisions made by the Board during deliberations are normally approved with unanimous support albeit majority vote shall preside as vote of law.

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Encik Azman also shoulders the responsibility as the Group's Chief Integrity and Governance Officer ("CIGO") within RHB Banking Group. He is a Certified Integrity Officer ("CeIO") accredited by the Malaysia Anti-Corruption Academy ("MACA").



Corporate Governance Overview Statement

Corporate Integrity & Ethical Business Conduct

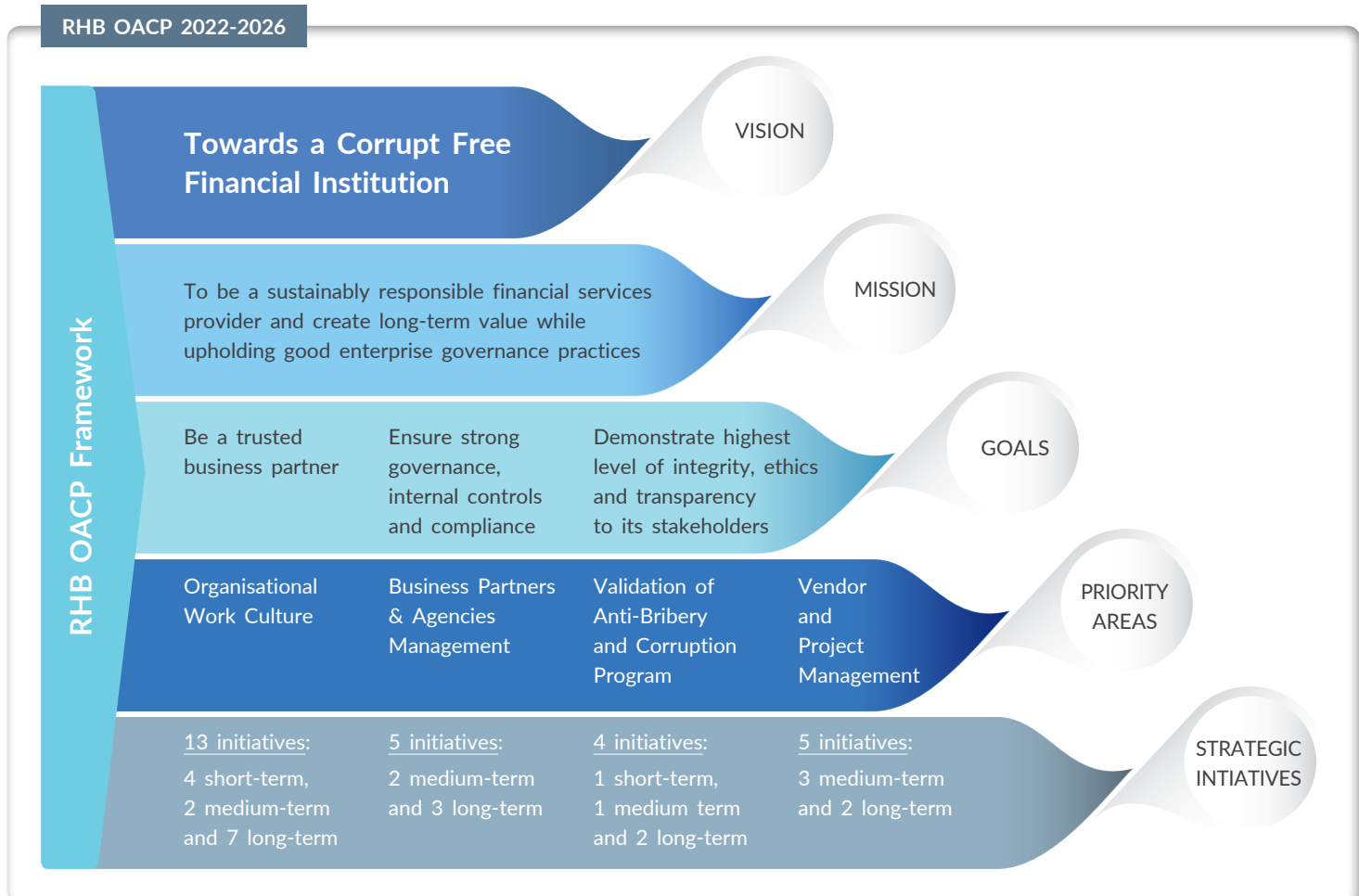
The Group’s corporate culture of ethics and integrity is set from the top. The Group believes that integrity breeds trust and therefore, it is crucial that our staff uphold integrity in order for our customers and clients to place their trust in us. The Board fully supports the Group’s efforts to set effective safeguards and controls in order to empower staff in maintaining the highest standards of integrity and ethical behaviour in all day-to-day dealings and activities.

Group Integrity & Governance (“GIG”) division advocates and promotes a culture of integrity and ethical business conduct across RHB Banking Group. GIG’s objective is to build and foster a culture free from improper conducts and which amplifies integrity, accountability and transparency. In year 2022, GIG’s main focus was the Organisational Anti-Corruption Plan (“OACP”) 2022-2026. The OACP journey began in August 2021, approved by RHB Bank Board of Directors in June 2022 and launched during the Corruption Free Pledge Ceremony, held in November 2022 to kick off RHB Integrity Week 2022. The OACP serves as a guide to demonstrate RHB’s on-going commitment to fighting corruption and improper conduct in the Group.

During the inaugural Integrity Week 2022, GIG also organised two knowledge sharing sessions and various staff activities such as short video and poster contest, crossword puzzles, word hunts, integrity survey and others. There were also exhibition booths opened throughout the week which provided GIG with the opportunity to engage with staff. There were a few external parties such as Malaysian Anti-Corruption Commission (“MACC”), National Centre for Governance, Integrity & Anti-Corruption (“GIACC”), Malaysian Institute of Integrity (“IIM”), Malaysian Institute of Corporate Governance (“MICG”), Sinar Rasuah Busters and Anti-Bribery & Anti-Corruption Centre of Excellence which also provided awareness and advice to staff as subject matter experts on integrity, governance and anti-corruption matters.

RHB’s Organisational Anti-Corruption Plan Framework

The Group’s Organisation Anti-Corruption Plan (“OACP”) Framework is developed in line with the Guidelines on Adequate Procedures issued by the Prime Minister’s Department pursuant to Subsection 17A(5) under the Malaysian Anti-Corruption Commission Act 2009. This is illustrated as follows:



Training & Awareness

In ensuring the Group complies with the fast-changing regulatory environment and staff is adequately equipped with sufficient information on anti-bribery, anti-corruption, ethics, integrity and other related topics, GIG conducted the following training sessions during year 2022:



Conducted a total of 30 internal training and awareness sessions for a total of 2,017 participants. These training sessions were designed to create awareness and ensure employees comply with the respective policies and guidelines covering anti-bribery & corruption, gifts and hospitality and whistleblowing within the Group.

Malaysia Operations



Group's Regional Offices (Overseas Operations)



Conducted external training and awareness sessions for registered vendors under Group Procurement.



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Corporate Integrity & Ethical Business Conduct

Key Internal Controls

The Group believes that effective safeguards against improper conduct have to go beyond “ticking-a-box”. The Group has in place its published codes, policies, procedures and other supplementary documents to maintain a strong ethical and integrity culture in the Group.

The Group also ensures compliance with the relevant statutory and supervisory requirements including Malaysian Anti-Corruption Commission (“MACC”) Act 2009, Guidelines on Adequate Procedures issued by the Prime Minister’s Department in December 2018, Guideline for the Management of Integrity and Governance Unit issued by the MACC in 2019, Strategic Plan of Integrity and Governance Unit 2019-2021 issued by MACC and other relevant documents.



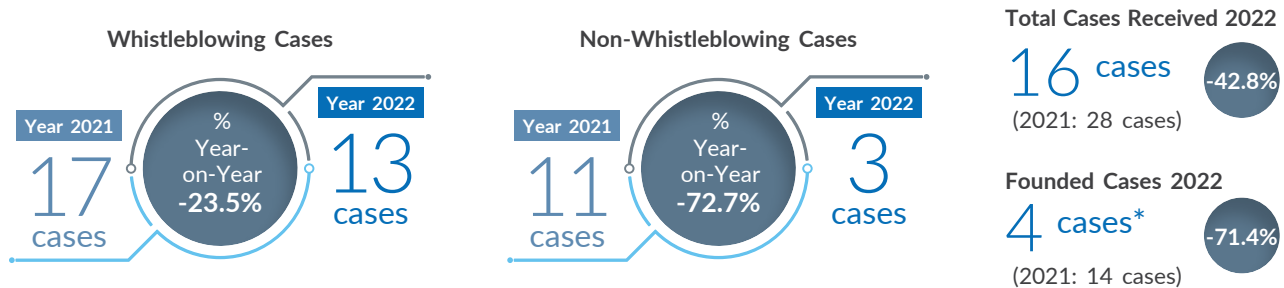
Whistleblowing

Whistleblowing continues to be an important tool for RHB Group to detect fraud and malpractices, and as an avenue for internal and external parties to report on any knowledge of improper conduct without fear of reprisal or retaliation. In conjunction with Integrity Week 2022, an Integrity Survey was conducted and 72% of staff who participated in the survey said that they are confident to whistleblow in RHB and feel safe from retaliatory action or harassment from the accused or their supervisor.

The Group has in place various channels to make whistleblowing report such as through Speak Up, Senior Independent Non-Executive Director, Board of Directors' Chairman, Chairperson of Board Audit Committee, Group Managing Director, Group Chief Internal Auditor, Group Chief Integrity & Governance Officer and other channels listed in the Group Whistleblowing Policy. Whistleblowing cases received are treated with the strictest confidentiality. All cases received via the whistleblowing channels are independently reviewed by the Information & Complaints Assessment Committee and will be investigated accordingly. All whistleblowing cases, investigation findings and outcome are tabled to the Board Audit Committee on a monthly basis.

The Group witnessed a slight decrease in the number of whistleblowing cases received from 17 cases in year 2021 to 13 cases in year 2022. This is mainly attributed to the continued efforts of Group Integrity & Governance to reinforce and encourage the right organisational culture, promote and instill DNA of integrity within the Group and further encourage exemplary behaviour among staff. Staff also understand better that their dissatisfaction over human resource related matters should be channeled through grievance channel and not the whistleblowing channel. Integrity is embedded in RHB's Core Values P.R.I.D.E which simply means we are honest, ethical and uphold a high standard of governance.

Whistleblowing and Non-Whistleblowing Reports



Note: * Subject to outcome of the investigation of the 3 cases that are still in progress.

16 Cases Investigated	4 Founded Cases	9 Unfounded Cases	3 remaining cases
	1 case: Letters of Advice issued	2 Cases: Improvement to SOP, Policies.	3 Cases: Still under Investigation
	1 case: Letter of Caution issued	2 Cases: Pending action taken against staff	
	1 Case: Legal Letter sent	2 Cases: Forwarded to subsidiaries	
	1 Case: Stoppage of increment for 1 year and no bonus for FY2022	3 Cases: No Further Action	

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Accountability

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the Group's risk management and internal control systems, which are designed to facilitate effective and efficient operations and to ensure the quality of internal and external reporting in compliance with applicable laws and regulations. The Directors and Senior Management are committed to maintaining a robust control framework as the foundation for the delivery of effective risk management. The Directors acknowledge their responsibilities in relation to the Group's risk management and internal control systems, including reviewing their effectiveness.

In establishing and reviewing the risk management and internal control systems, the Directors carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, the likelihood of a risk event occurring and the costs of control. The process for identification, evaluation and management of the principal risks faced by the Group is integrated into the Group's overall framework for risk governance. The Group is forward-looking in its risk identification processes to ensure emerging risks are identified. The risk identification, evaluation and management process also identifies whether the controls in place result in an acceptable level of risk.

At Group level, consolidated risk report and risk appetite dashboard are reviewed and regularly debated by the executive Group Capital & Risk Committee, Board Risk Committee and the Board to ensure that they are satisfied with the overall risk profile, risk accountabilities and mitigating actions. The report and dashboard provide a monthly view of the Group's overall risk profile, key risks and management actions,

together with performance against risk appetite and an assessment of emerging risks which could affect the Group's performance over the life of the operating plan. Information regarding the main features of the internal control and risk management systems in relation to the financial reporting process is provided within the statement on risk management and internal control on pages 187 to 195. The Board concluded that the Group's risk management arrangements are adequate to provide assurance that the risk management systems put in place are suitable with regard to the Group's profile and strategy.

The effectiveness of the risk management and internal control systems is reviewed regularly by the Board and the Board Audit Committee, which also receives reports of reviews undertaken by Group Risk & Credit Management and Group Internal Audit. The Board Audit Committee receives reports from the Group's external auditor, PricewaterhouseCoopers PLT (which include details of significant audit and accounting matters that they have identified), and meet with the external auditor at least twice a year without the presence of Management and Executive Director for private discussions and to ensure that there are no unresolved issues of concern.

The Group's risk management and internal control systems are regularly reviewed by the Board and are consistent with Bursa Malaysia's guidance on Risk Management & Internal Control, and Related Financial and Business Reporting issued by the Malaysian Financial Reporting Council and compliant with the requirements of Bank Negara Malaysia. They have been in place for the year under review and are periodically reviewed and updated.

Group Compliance

The regulatory environment for financial institutions is increasingly complex and always changing. New laws and regulations continue to evolve which consequently increases regulator's expectations. Any failure to ensure compliance may result in significant financial losses, heavy penalties and reputational consequences

As a prudent financial services provider, the Group is committed to upholding good governance principles and regulatory requirements. These principles are further outlined in the Group's Compliance Management Framework and Policy which serve as an important guide for the Group to enable incorporation of compliance best practices throughout the Group's business.

The Group's compliance function, which acts as a second line of defense, operates on a group-wide basis with an appointed Group Chief Compliance Officer overseeing the compliance risk management of the Group which extends to all entities within Malaysia and its overseas branches and subsidiaries.

Group Chief Compliance Officer

Puan Fazlina Mohamed Ghazalli leads and executes Group-wide compliance strategic plans that enables RHB Banking Group to comply with regulatory requirements. She reports to the Board Risk Committee.

Puan Fazlina has over 21 years of banking experience and was in legal practice prior to starting her career in banking in 2001. Puan Fazlina holds a Bachelor of Laws degree from University of East Anglia, UK. She is a Chartered Banker and a Certified Professional in Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT").



MATERIAL RISK

Cybersecurity

Cybercrime continues to increase and become more sophisticated, more frequent and widespread. As the Group moves towards embracing digitalisation and automation, the threat to information security becomes imminent, more so, due to the recent COVID-19 pandemic where digital channels became a necessity.

> ACTION TAKEN

- Continuous monitoring and engagement with business units/IT team to ensure awareness on technology related regulatory requirements and the risk of cyber threats.
- Heightened cyber-risks assessments in relation to the existing systems of the Group including regular reviews on processes and controls to establish the need for any additional security measures.

Monitoring and Assurance

The Group has an obligation to observe good governance and to ensure that its controls and practices are conducted in a fair and orderly manner so as to promote investor protection.

> ACTION TAKEN

- Enhance surveillance governance, control structure and programs.
- Establish data-driven monitoring capabilities for forward-looking, predict and manage emerging regulatory compliance risks.
- Holistic and forward looking review to regulatory compliance risk management.
- Predictive and early detection of compliance risks.
- Continuous development of compliance competency and talents of the future.

Regulatory Compliance

As regulatory requirements evolve and constantly change, managing non-compliance risk and meeting regulatory standards and expectations has become a daily focus for the Group.

> ACTION TAKEN

Instilling a strong compliance culture across all functions of the Group through the following compliance monitoring framework:

- Frequent compliance reviews and testing to evaluate effectiveness of current processes and close regulatory gaps.
- Timely reporting of compliance matters, findings and corrective measures to the Board.
- Annual compliance risk assessment to identify high risk areas and allocate resources effectively to mitigate such risks.
- Promote adherence to regulatory requirements through regular compliance trainings and awareness programmes.
- Promote compliance competency of current compliance staff through sponsorship of professional of professional accreditations and in-house compliance trainings and briefing sessions.

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Group Compliance

The following are some of the key initiatives by Group Compliance for 2022 in its effort to remain vigilant post the COVID-19 pandemic.

INITIATIVES	OUTCOMES
<p>Innovation</p> <ul style="list-style-type: none"> • Further enhancements made to AML systems for SWIFT-Rentas applications. • RHB AML/CFT Capabilities Enhancement (“RACE”) Programme Phase 1 successfully went live in December 2022. • Enhanced AML data governance and data management, transaction monitoring scenario coverage and calibration as well as screening rules and threshold. • Foreign Account Tax Compliance Act (“FATCA”) remediation completed in September 2022 and FiTAX system server and software upgrade completed in December 2022. 	<ul style="list-style-type: none"> • Productive and efficient AML transaction monitoring and data gathering process which translates into a faster and shorter timeframe in completion of AML reviews and assessment.
<p>Support Business Resilience</p> <ul style="list-style-type: none"> • Established the Risk Appetite Statement metrics in understanding the bank’s risk culture. • Continuous review and revision of the Compliance Risk Assessment (“CRA”) and the AML Risk Assessment (“AMLRA”) methodology. 	<ul style="list-style-type: none"> • Identify, address, manage and minimise the high risk areas and allocate resources to effectively mitigate and minimise recurrence on the same. • Update and enhancements to the CRA and AMLRA for further alignment with current regulatory expectation and the Group’s ongoing initiatives.
<p>Assurance</p> <ul style="list-style-type: none"> • Enhanced treasury surveillance by including voice recordings of treasury dealers into monitoring scope on a staggered based approach. • Increased compliance and regulatory reviews to detect procedural gaps vis-à-vis regulatory requirements. Conducted 424 compliance reviews. • Overall review of policies, circulars and guidelines to ensure that the Group’s operational and business processes are updated where required, including updating of policies, circulars and guidelines in regional entities. Performed annual compliance and AML risk assessments. 	<ul style="list-style-type: none"> • Continuous expansion of surveillance coverage to promote efficient detection and mitigation of trading risks. • Business continuity while minimising non-compliance risks amidst the new normal. • Timely compliance risks identification and solutions to address the same. • Continuous improvement and enhancement of compliance controls in regional entities.
<p>Compliance Culture</p> <ul style="list-style-type: none"> • Organised focused compliance clinics where topics were selected based on the outcome of compliance reviews. • Optimised the usage of alternative learning platforms such as short explainer videos, webinars, Microsoft Teams to conduct compliance trainings. • Completed 325 culture programs. • Issuance of compliance bulletins (46 Learn and Leads) and regulatory alerts on key compliance issues and development throughout the year. • Published educational materials for awareness of RHB customers on conflict of interest, preventing criminal abuse of digital currencies and underground banking through unregistered money service business. • The “A Branch Compliance Day Programme” was continued in 2022 in line with the Group’s effort to build a positive compliance culture. In 2022, a total of 81 branches benefitted from the initiative and exchanged various compliance issues and developments. • Advancement of compliance competency through professional accreditation such as Asian Institute of Chartered Bankers (“AICB”) for Compliance staff. 	<ul style="list-style-type: none"> • Continual accessibility to learning, particularly for employees under remote work arrangement. • Increased learning attentiveness and improved understanding by employees on regulatory requirements and what is expected of them resulting in improved compliant behaviour. • Raised customer awareness to prevent scams and frauds • Minimised communication gap between compliance team and branch staff, particularly on the challenges faced by them in ensuring compliance. • Aligned understanding and enhancement of knowledge on regulatory and compliance expectation. • Improved understanding and competency of compliance staff.

> Compliance 2022 Highlights

In the constantly evolving era of digitalisation, there is a heightened necessity for regulatory authorities in Malaysia to strengthen cybersecurity governance as well as to prioritise the development of Environmental, Social and Governance (“ESG”) based regulations in order to address climate risk concerns. While the COVID-19 pandemic has accelerated the digitalisation of products, the Group carries on to display resilience by enhancing in-house innovation while maintaining stringent controls in upholding secrecy and protecting customer information. Our compliance function continues to focus on effective compliance management by meeting the expectations of regulatory authorities and supporting the Group’s business objectives.

KEY PRIORITIES FOR 2023

Cultivating a culture of compliance goes beyond just communicating the importance of obeying regulatory requirements to its employees. It requires continuous vigilance and efforts to influence a widespread change. The Group understands this and is always looking out for new strategies to ensure that compliance is embedded as part of everyone’s responsibility.

The following are our key priorities for 2023:

- Innovation of compliance ecosystem by enhancing operational efficiency of AML/CFT, regulatory & shariah compliance capabilities through various projects such as enhancement and digitalisation of AML/CFT via Project RACE, implementation of inaugural AMLRA dashboard reporting, utilisation of data analytics, foreign exchange administration (“FEA”) system, FATCA/Common Reporting Standard (“CRS”) reporting and CRA.
- Supporting business resilience through the following initiatives:
 - Optimising workflow and data collection process by, among others, enhancing Group policies, guidelines and procedures and enhancing CRA workflow and processes.
 - Cultivation of front-line and BRCOs compliance competency by continuous review and enhancement of Business Compliance Officer (“BCO”), Business Risk Compliance Officer (“BRCO”) and Business Compliance Coordinator (“BCC”) capabilities and responsibilities.
 - Embedding ESG considerations in regulatory compliance by, among others, embedding ESG considerations in compliance reviews, establishing a Group Compliance Centre of Excellence for ESG and providing an independent view on implementation of Group-led ESG programmes.
 - Continuously sustaining trust as a responsible financial service partner to the Group’s community of customers and stakeholders.
- A strong focus on the area of assurance by continuously enhancing data-driven monitoring capabilities and surveillance and control assessments, continuous development of strong AML/CFT, regulatory & shariah compliance risk management and continuous development of compliance competency and future talent.
- Embedding compliance culture through the continuous promotion of a dynamic, proactive and responsible AML/CFT, regulatory and shariah compliance team and continuously providing access to compliance trainings, workshops and forums.

The above are by no means an exhaustive list of priorities that the Group has set for 2023. With the uncertainties surrounding the economic environment due to the continuous threat posed by the pandemic, the Group will not underestimate the emergence of new compliance risks and the need to come up with improved strategies to combat the same and protect its stakeholder’s interest.

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Shariah Committee Report

COMPOSITION AND ATTENDANCE OF MEETINGS

A total of ten (10) regular meetings were held as at 31 December 2022. All existing members satisfied the minimum attendance requirement under BNM's Shariah Governance Policy Document, which provides that a Shariah Committee member is required to attend at least 75% of the Shariah Committee meetings held in each financial year. Details of the attendance of each member are as follows:

The Shariah Committee was established under RHB Islamic Bank Berhad ("the Bank" or "RHB Islamic") with the following main objectives:

1. To provide objective and sound advice to the Bank to ensure that its aims, operations, business, affairs and activities are Shariah-compliant.
2. To ensure effective working arrangements are established between the Shariah Committee, the Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM") and that of the Securities Commission ("SC").
3. To ensure the establishment of appropriate procedures leading to prompt compliance with Shariah principles.

Dr. Ahmad Basri Ibrahim
10/10

Shabnam Mohamad Mokhtar
10/10

Dr. Md. Nurdin Ngadimon
10/10

Assoc. Prof. Dr. Kamaruzaman Noordin
10/10

Dr. Abdul Rahman A. Shukor
6/6

ENGAGEMENT SESSIONS & TRAININGS ATTENDED

ENGAGEMENT SESSIONS & TRAININGS

As part of the initiatives aimed at maintaining effective communication between the Shariah Committee, the Senior Management and the Board of Directors of RHB Islamic Bank, special in-house training programmes were held as follows:

1. Engagement session between RHB Islamic Bank Board of Directors and Shariah Committee Members held on 30 May 2022 and 3 November 2022.
2. Blue Economy: Opportunities, Challenges and Lessons for Islamic Finance by Pn. Shabnam Mohamad Mokhtar held on 23 November 2022.

In addition, the Shariah Committee also contributed to the efforts of spreading Shariah knowledge and awareness among RHB Banking Group staff by sharing insights, expertise and experience through "Shariah Committee Sharing Series" sessions as follows:

1. *9 Years Journey with RHB Islamic Bank as Shariah Committee* by En. Wan Abdul Rahim Kamil Wan Mohamed Ali and En. Mohd Fadhly Md. Yusoff held on 26 January 2022
2. *Blue Economy: Opportunities, Challenges & Lessons for Islamic Finance* by Pn. Shabnam Mohamad Mokhtar held on 22 March 2022
3. *Liquidity Platform Creation: Success Stories & Challenges* by Dr. Md. Nurdin Ngadimon held on 31 May 2022
4. *Wakaf ASNB* by Dr. Ahmad Basri Ibrahim held on 19 July 2022
5. *Awas Scam Pelaburan Emas* by Dr. Abdul Rahman A. Shukor held on 14 September 2022

The Shariah Committee members are also enrolled in the Certified Shariah Advisor ("CSA") and Certified Shariah Practitioner ("CSP") programmes organised by the Association of Shariah Advisors in Islamic Finance ("ASAS").

SHARIAH COMMITTEE'S EFFECTIVENESS ASSESSMENT

In compliance with BNM's Shariah Governance Policy Document, the Shariah Committee undergoes a process of assessing the effectiveness of individual members and the Committee as a whole on a yearly basis. The Shariah Committee's annual assessment exercise is primarily based on a detailed questionnaire that is distributed to the respective Committee members and the permanent invitees to the Shariah Committee meetings. The questionnaire encompasses considerations on the effectiveness of the Committee in discharging its duties and responsibilities, and each individual member's level of skill and competency in the areas of expertise expected of a Shariah Committee member.

The results of the assessment are tabled to RHB Islamic's Board of Directors for approval.

Board Audit Committee Report

COMPOSITION AND ATTENDANCE OF MEETINGS

A total of twelve (12) Board Audit Committee (“BAC”) meetings were held during the financial year ended 31 December 2022. The BAC comprises the following members and the details of attendance of each member at the BAC meetings held during the year are as follows:

The Board Audit Committee Report for the financial year ended 31 December 2022 is prepared pursuant to the Listing Requirements of the Bursa Malaysia Securities Berhad.



Ms. Ong Ai Lin
Chairperson/
Independent
Non-Executive
Director
12/12



Mr Donald Joshua Jaganathan
Member/
Independent
Non-Executive
Director
12/12



Datuk Iain John Lo
Member/
Independent
Non-Executive
Director
11/12

The BAC undertakes the functions of the Audit Committee of the entities within the Group encompassing RHB Bank, RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad (up to the establishment of RHB Insurance Berhad’s BAC on 25 April 2022).

The BAC meetings were also attended by the Group Chief Financial Officer, being the Chairman of the Management Audit Committee (“MAC”) of RHB Bank, the Group Chief Operations Officer and the Group Chief Internal Auditor (“Group CIA”) while the attendance of other Senior Management is by invitation, depending on the matters deliberated by the BAC.

Where required, Management of the relevant functions were also invited to the BAC meeting to provide explanations on control lapses and remediation measures undertaken arising from matters highlighted in the audit reports.

Key matters deliberated at the BAC meetings together with the BAC’s recommendations and decisions are summarised and presented to the relevant Boards, in the same month, by the Chairperson or representative of the BAC. This allows the respective Boards to be timely apprised of significant matters deliberated by the BAC and for the Boards to provide direction, if necessary. Extracts of the minutes of the BAC meetings held were provided to the respective Boards for their information.

AUTHORITY

The BAC is authorised by the Board to, among others, review and investigate any matters within its terms of reference; have direct communication channels with the external and internal auditors as well as regulators; obtain independent professional advice, if necessary, at the Company’s expense; and access to Management and resources to enable effective discharge of its functions. The full terms of reference, including the authority, duties and responsibilities of the BAC are published on RHB Bank’s website.

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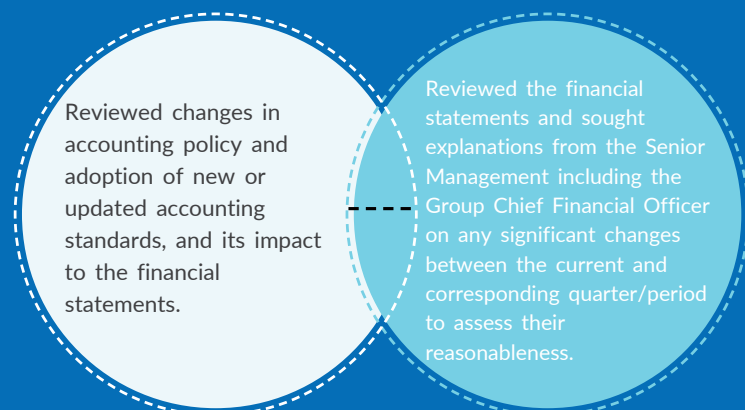
Board Audit Committee Report

SUMMARY OF BAC ACTIVITIES IN 2022

The work carried out by the BAC in the discharge of its duties and responsibilities during the financial year are summarised as follows:

1. FINANCIAL REPORTING

- a) Reviewed the quarterly unaudited financial results and the annual audited financial statements of RHB Bank and the Group as well as the draft announcements before recommending them for the Board's approval. The review process encompassed the following:
- b) Discussed with the external auditors on the audited following matters identified during the statutory as audit for the financial year ended 31 December 2022 as highlighted in their Audit Committee Report:



- Significant audit and accounting matters including credit and impairment assessment as well as MFRS 9 Expected Credit Loss ("ECL") and management overlay;
- Internal control recommendations;
- Data auditing;
- Tax related matters; and
- Summary of uncorrected misstatements.

2. INTERNAL AUDIT

- a) Reviewed and approved the annual audit plan for the financial year 2022 to ensure adequacy of scope, coverage and resources as well as competency of the internal auditors.
 - b) Reviewed the audit activities undertaken by Group Internal Audit ("GIA") for the financial year covering the planned audit assignments, investigations, ad-hoc audit projects, review of frameworks, policies and guidelines, products and services and IT project participation.
 - c) Reviewed and approved the Balanced Scorecard for the Group CIA. Appraised the performance of the Group CIA and reviewed the appraisals of senior staff members of GIA, and approved the performance rewards for the Group CIA in accordance with the matrix approved by the Board.
 - d) Reviewed and deliberated on the summary of audit findings/ observations presented at the MAC meetings, minutes of all MAC meetings, internal audit reports, audit recommendations, risk & impact and Management's responses to these recommendations as well as the root causes and timely remedial actions taken by Management to improve the system of internal controls and its processes on the areas highlighted.
 - e) Reviewed and deliberated on the investigation reports tabled to the BAC and directed the Management to establish and implement the necessary controls to strengthen the internal control system.
 - f) Reviewed the reports issued by the regulatory authorities and the Management's response as well as the remedial actions taken by Management in respect of the reported findings to ensure that all matters highlighted in these reports had been adequately and promptly addressed by Management.
 - g) Reviewed the minutes of meetings of other board audit committees within the Group to the extent permitted by the relevant regulatory authorities to satisfy itself that all matters arising therefrom had been appropriately addressed by these other board audit committees.
 - h) Reviewed the half-yearly update on significant findings and issues from the audit reports tabled at the entity BAC that these matters have been adequately and effectively addressed.
- Updated the Board on key issues/concerns deliberated in the BAC meeting via the BAC Summary to the Board.

3. EXTERNAL AUDIT

- a) Reviewed the 2022 audit plan of the external auditors for RHB Banking Group covering the audit strategy, risk assessment and areas of audit emphasis for the year.
- b) Reviewed with the external auditors, the results of their audit together with their recommendations and Management's response to their findings as detailed in the following reports, and provided the BAC's views and directions on the areas of concern where necessary:

Reports issued by External Auditors in 2022	Date tabled to BAC
Audit Committee Report for the financial year 2021	21 January 2022
Internal Control Report for the financial year 2021	22 April 2022
Limited Review of the unaudited financial statements of RHB Bank and RHB Islamic Bank for the financial period ended 30 June 2022	22 July 2022

The BAC further directed the respective MACs to track the audit findings highlighted by the external auditors in their Internal Control Report to ensure timely resolution of all matters by Management.

- c) Met with the external auditors on 21 January 2022 and 22 July 2022 without the presence of Management to enable the external auditors to discuss matters with the BAC privately.
- d) Reviewed the appointment of the external auditors for the provision of non-audit services before recommending them for the Board's approval. Areas that are considered include the external auditors' expertise, adequacy of knowledge and experience required for the services rendered, competitiveness of fees quoted and whether its independence and objectivity would be impaired.

Reviewed on a quarterly basis, the non-audit services rendered by the external auditors and the related fees taking into consideration the fee threshold established under the Group policy to ensure that the external auditors' independence and objectivity were not compromised.

- e) Reviewed the external auditors' performance and independence before recommending them to the Board for reappointment as external auditors for the Group:
 - The external auditors have declared in their 2022 audit plan, which was tabled to the BAC in July 2022, that they have maintained their independence for the audit of the financial statements of the Group in accordance with the firm's requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants. They have further declared that the non-audit services provided to the Group during the year have not compromised their independence as external auditors of the Group.

- The annual assessment on the external auditors covering the key areas of performance, independence and objectivity in accordance with the BNM Guidelines on External Auditor.
- The performance of the external auditors was also assessed through a survey completed by the Management personnel of the Group based on their dealings with the external auditors covering areas such as the people, meeting the objectives, responsiveness, knowledge of the business and industry, ideas that add value and communications.

The external auditors presented their Transparency Report 2022 to the BAC which highlighted the outcome of the audit quality review and their ongoing commitment to audit quality.

- A comprehensive review was also conducted in December 2022 prior to the reappointment of the external auditors to assess its independence and the potential risk of familiarity threat at all the banking entities within the Group. The comprehensive review covered three main categories, i.e. governance and independence, communication and interaction, and quality of services and resources.

The comprehensive review was conducted by Group Finance and independently verified by GIA prior to tabling to the BAC for deliberation.

- f) Reviewed the Management Representation Letters to the external auditors in relation to their limited review of the financial results for the six months ended 30 June 2022 and the statutory audit for the financial year ended 31 December 2022 before recommending it for the Board's approval.

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4. INTEGRITY & GOVERNANCE

- a) Reviewed and endorsed the Group's Organisational Anti-Corruption Plan ("OACP") 2022-2026 and its key initiatives for RHB Bank Berhad Board's approval.
- b) Reviewed and endorsed the half-yearly reports submitted to Malaysian Anti-Corruption Commission based on Group Integrity & Governance department's four core functions for the Board's approval.
- c) Reviewed and deliberated on monthly reports tabled by Group Integrity & Governance covering the number and status of whistleblowing and non-whistleblowing cases being investigated.
- d) Received updates on progress of awareness programmes covering anti-bribery & corruption, whistleblowing, including other relevant areas related to ethical business conduct and provided guidance and direction to Group Integrity & Governance as and when required.

5. RELATED PARTY TRANSACTIONS

- a) Reviewed the reports of related party transactions ("RPTs") on a quarterly basis covering the nature and amount of the transactions including any possible conflict of interest ("COI") situations in ensuring that the terms and conditions of the transactions are commercially based and at arm's length.
- b) The review covered the aggregate consideration of Recurrent RPTs ("RRPTs") which are individually tracked and monitored against the ceiling set to ensure proper reporting and disclosures in accordance with the regulatory requirements.
- c) The Group has in place an approved policy on RPTs which governs the process of identifying, evaluating, approving, reporting and monitoring of RPTs, RRPTs and potential COI situations as well as outlining the duties and responsibilities of the relevant parties involved in the RPT process.

TRAINING

During the year, the BAC members have attended various training programmes, conferences and seminars to keep abreast of the latest developments within the banking industry as well as to enhance their knowledge for the discharge of their duties and responsibilities.

The detailed information of mandatory and professional development programmes attended by the BAC members are disclosed in Section B of the Corporate Governance Report available at www.rhbgroup.com.

Group Chief Internal Auditor

Mr Alex Tan Aun Aun leads the internal audit function of RHB Banking Group and he reports to the BAC. He has more than 28 years of multifaceted experience in the banking business with more than 12 years' experience in internal auditing. He holds a Bachelor of Commerce (Finance) degree from the University of Toronto and is a professional member of Institute of Internal Auditors Malaysia as well as a member of the Chief Internal Auditors Networking Group ("CIANG"). GIA provides the Board with independent assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes implemented by the Management.



INTERNAL AUDIT FUNCTION

The internal audit function of RHB Banking Group provides independent assurance to the Board on the adequacy and effectiveness of the Group’s risk management, internal control and governance processes implemented by the Management. GIA operates under the Internal Audit Charter approved by the Board. GIA’s activities conform with the Institute of Internal Auditors’ International Standards for the Professional Practices of Internal Auditing and the requirements set out by the relevant regulators on the internal audit function.

The Group CIA reports functionally to the BAC and administratively to the Group Managing Director to maintain GIA’s impartiality and objectivity. To further preserve the independence of the internal audit function, the Group CIA’s appointment and performance appraisal, as well as GIA’s scope of work and resources, are approved by the BAC.

Internal Audit Charter

The Internal Audit Charter (“Audit Charter”) defines the purpose, authority, responsibility and scope of work of the internal audit function and is approved by the Board. The approved Audit Charter is published on the Group’s intranet portal, which can be viewed by all employees of the Group.

The Audit Charter is reviewed by the Group CIA every two years or as and when necessary to assess whether the GIA’s purpose, authority and responsibility, as defined in the Audit Charter, continue to be adequate and relevant to enable the internal audit function to accomplish its objectives.

Summary of GIA Activities

Main Audit Activities

- a) Prepared the annual risk-based audit plan for RHB Banking Group which includes the audit objectives and scope, and manpower requirements for each planned auditable unit.
- b) Conducted audits as per the approved audit plan and investigations requested by Management, the Board or regulators during the year. Areas audited during the financial year encompassed all the business and support pillars including Wholesale Banking, Community Banking, Distribution Channels, Shariah Business, Insurance Business, Overseas Operations, IT Security and Operations, Group Support Functions as well as key areas such as Anti-Money Laundering & Counter Financing of Terrorism, market conduct, customer information secrecy and outsourcing. A total of 368 reports were issued during the year.
- c) Performed root cause analysis and make recommendations to the Management to improve the control environment.
- d) Tabled audit reports to the MAC of the respective entities. The status of rectification of all audit findings and mitigation action plans implemented by Management to adequately address the underlying causes are closely monitored by the MACs at every meeting.
- e) Monitored and followed up through the respective MACs on the timely rectification of all reported audit findings highlighted by the internal and external auditors. The status of any outstanding audit findings including requests with justification for extension of rectification timelines are summarised and reported to the BAC on a monthly basis.

Other Audit Activities

- a) Carried out ad-hoc compliance and validation reviews as requested by regulators. The outcome of the reviews are tabled to the BAC for review and submitted to the regulators.
- b) Reviewed the adequacy and effectiveness of the Risk Mitigation Plan implemented by Management to address the Composite Risk Rating (“CRR”) matters highlighted by BNM in their CRR Report. The results of the reviews are tabled to the BAC for deliberation.
- c) Reviewed new or updated framework, policies and guidelines as requested by Management to provide feedback on the adequacy of internal controls to address the relevant risks.
- d) Participated in new IT system or new product development activities to provide recommendations upfront on the relevant control features to be considered by Management.
- e) Attended Management meetings as permanent invitee on a consultative and advisory capacity to provide independent feedback where necessary on internal control related matters.
- f) Assisted the BAC in the annual review exercise on the reappointment of external auditors by assessing its independence and potential risk of familiarity threat at all the banking entities within the Group.
- g) Organised MAC meetings, prepared meeting materials as well as prepared minutes of meetings and summary of key audit findings for submission to the BAC and the Boards of the respective entities.
- h) Prepared the BAC Report and the Statement on Risk Management and Internal Control for approval by the BAC and the Board respectively, and for inclusion in RHB Bank’s Integrated Report for the year 2022.
- i) Organised in-house and external training for the internal auditors in various areas such as Environmental, Social and Governance (“ESG”), Anti-Money Laundering, Anti-Bribery and Corruption, Cyber Security, Secrecy and Information Protection, Data Analytics, etc. to further develop their skills and competency in the respective areas.

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Internal Audit Resources

The Group CIA, in consultation with the BAC and the Group Managing Director, decides on the appropriate resources required for the GIA taking into consideration the size and complexity of operations of the Group. The primary organisation chart/structure of GIA is reviewed and approved by the BAC annually.

As at 31 December 2022, GIA has 169 auditors (Malaysia: 148) with relevant academic/professional qualifications and experience to carry out the activities of the internal audit function. Total costs of RM35.0 million (Malaysia: RM28.9 million) was incurred to maintain the internal audit function of the Group for the financial year 2022.

Professional Proficiency

The Group CIA ensures that the internal auditors are suitably qualified and provided with the necessary trainings and continuous professional development for the purpose of enhancing their audit and relevant technical skills to effectively perform their duties and responsibilities.

The internal auditors have either obtained or are currently pursuing the relevant certification programmes to equip themselves with the necessary knowledge of the subject matter applicable to their functions. The professional qualifications comprise the following:

- Asian Institute of Chartered Banker (AICB) – Certified Bank Auditor, Chartered Banker, Certification in AML/CFT
- Institute of Internal Auditors (IIA) – Certified Internal Auditor, Accreditation in Internal Quality Assessment/Validation
- Information Systems Audit and Control Association (ISACA) – Certified Information Systems Auditor
- Association of Certified Anti-Money Laundering Specialists (ACAMS)
- Certified Fraud Examiner
- EnCase Certified Examiner
- Chartered Professional in Islamic Finance

Based on each staff's Individual Development Plan for the year 2022, the internal auditors attended the relevant technical, leadership and management courses and Future Skills Programme offered by RHB Academy, the Group's Learning and Development Centre, and external programmes.

With the rapid progression in innovation and technology in the business environment, GIA has continued to provide its staff with relevant specialised training and learning programme. GIA has adopted new technologies and has deepened the use of data analytics, robotic process automation and optical character recognition to enhance the efficiency and effectiveness of audits performed.

GIA has engaged an external consultant to roll out a new programme on competency framework to enhance the capability building for GIA as well as preparing the internal audit staff to be 'auditors of the future'.

Internal Audit Quality Assurance Review

To ensure effectiveness of the internal audit function, the Group CIA has developed and maintained a quality assurance and improvement programme that covers all aspects of the internal audit activities. The quality assurance programme assesses the effectiveness of processes within the internal audit function and identifies opportunities for improvement through both internal and external assessments.

The internal assessment is performed according to the approved annual Quality Assurance Review ("QAR") plan by a QAR team within GIA. The Head of QAR function reports directly to the Group CIA to maintain its independence of the internal audit activities within GIA.

In addition to the internal assessment, external quality assessment is conducted once every five years by qualified external assessor. The appointment of independent external assessor is subject to the Group's established procurement process and endorsed by the BAC.

The last external quality assessment was conducted in 2021 where GIA was assessed to be in conformance with all the applicable rules, standards and requirements stipulated in The IIA's International Standards for the Professional Practice of Internal Auditing, BNM Guidelines on Internal Audit Function of Licensed Institutions, Malaysian Code on Corporate Governance: Principle B – Effective Audit and Risk Management and Bursa Malaysia Listing Requirements – Chapter 15.27 Internal Audit.

Additional Compliance Information Disclosures

INTEGRITY REPORT

Disclosure on corporate exercises

1. Disposal by PT RHB Sekuritas Indonesia ('RSI') of Its Entire 99.62% Equity Interest in PT RHB Asset Management Indonesia ('RAMI') ('Disposal')

On 26 July 2021, RHB Bank announced that RSI, a 99% subsidiary of RHB Investment Bank, had on 23 July 2021, entered into Conditional Share Purchase Agreement ('CSPA') with Allianz Global Investors Asia Pacific Limited ('AllianzGI') and PT Asuransi Allianz Life Indonesia ('Allianz Life Indonesia') in respect of the Disposal.

RAMI, a company incorporated in Indonesia, was a 99.62% subsidiary of RSI. The remaining 0.38% equity interest was held by Daniel Budiman. The principal activity of RAMI was rendering of investment management services in Indonesia.

The Disposal will entailed the disposal by RSI of its entire 98.62% equity interest and 1.00% equity interest in RAMI to AllianzGI and Allianz Life Indonesia respectively.

The Disposal was conditional upon of inter-alia, the approval of the Financial Services Authority of Indonesia or Otoritas Jasa Keuangan for the fit and proper test of AllianzGI as the new controlling shareholder of RAMI and the candidate for new member(s) of Board of Commissioners of RAMI as proposed by AllianzGI. The last date to fulfil all the conditions precedent for the Disposal was 8 months from the date of the CSPA which can be mutually extended.

This exercise was part of RHB Banking Group's strategic plan to reprioritise its overseas businesses to focus on niche markets, leveraging on the key strengths of its investment banking team in order to meet its customers needs. Accordingly, RHB Bank has decided to exit from the asset management business and to focus on its stockbroking and investment banking business in Indonesia.

The Disposal was completed on 31 January 2022 for a sales consideration of EUR6,532,000 (or approximately RM30,827,000), following the approval of the Financial Services Authority of Indonesia or Otoritas Jasa Keuangan ('OJK') for AllianzGI as the new controlling shareholder of RAMI on 6 January 2022 and the approval of OJK for the new Board of Commissioners of RAMI as proposed by AllianzGI on 29 December 2021 and 27 December 2021.

With the completion of Disposal, the Group recorded a gain on disposal of RM24,595,000 and accordingly, RAMI is no longer an indirect subsidiary of the Bank.

2. Cessation of Business of RHB Hong Kong Limited and its subsidiaries

On 5 December 2019, RHB Bank announced that RHB Hong Kong Limited ('RHB Hong Kong') and its subsidiaries (collectively known as 'RHB Hong Kong Group') had on 4 December 2019 decided to cease business operations ('Cessation').

Pursuant to the Cessation, RHBHK and its subsidiaries have discontinued offering financial services to its existing and potential clients.

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As at todote, the following activities have been/will be carried out by the RHBHK and its subsidiaries:

No.	Activities	Company Name
1	Has discontinued offering financial services to its existing and potential clients	RHB Hong Kong Limited
2	Revocation of licence on 6 October 2022	RHB Securities Hong Kong Limited RHB Futures Hong Kong Limited
3	RHBFHK has commenced winding up on 14 December 2022 RHBHK and RHBSHK have commenced winding up on 31 December 2022	<u>December 2022</u> RHB Futures Hong Kong Limited <u>December 2022</u> RHB Securities Hong Kong Limited
4	Has been dissolved upon its deregistration as a legal entity	<u>18 April 2019</u> RHB Fundamental Capital Hong Kong Limited <u>On 17 June 2020</u> RHB (China) Investment Advisory Co Ltd <u>On 17 March 2021</u> RHB Finance Hong Kong Limited <u>On 15 October 2021</u> RHB Asset Management Hong Kong Limited RHB Capital Hong Kong Limited <u>On 4 January 2022</u> RHB Wealth Management Hong Kong Limited

3 Disposal of RHB International Trust (L) Ltd (“RHBIT”)

On 12 March 2021, RHB Bank announced that RHB Bank (L) (“RHBBL”) Ltd, a wholly-owned subsidiary of RHB Bank, had on 11 March 2021 completed the disposal of its entire equity interest in its wholly-owned subsidiary, RHBIT to Pacific Trustees Berhad for a cash consideration of approximately USD173,490. With the completion of the disposal, RHBIT has ceased to be a wholly-owned subsidiary of RHBBL.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control (“Statement”) is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The Statement has been prepared in accordance with the guidelines as set out in the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” endorsed by Bursa Malaysia.

The Statement outlines the key features of the risk management and internal control system of RHB Banking Group (“the Group”) during the year under review.

BOARD RESPONSIBILITY

The Board is committed to its overall responsibility in establishing a sound risk management and internal control system for the Group. The Board’s responsibility includes reviewing the adequacy and effectiveness of the risk management and internal control system in safeguarding shareholders’ interest and the Group’s assets. While total elimination of risks is not possible, the risk management and internal control system has been designed to manage the Group’s risk appetite within the established risk tolerance set by the Board and Management to support the achievement of the Group’s business objectives. The risk management and internal control system can therefore only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

In acknowledging that having a sound risk management and internal control system is imperative, the Board has established a governance structure that ensures effective oversight of risks and internal controls in the Group at all levels. To this end, the Board is assisted by the Board Risk Committee (“BRC”) and Board Audit Committee (“BAC”) which have been delegated with primary oversight responsibilities on the Group’s risk management and internal control system. The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of the delegated oversight responsibilities.

The Board has also obtained assurance from the Group Managing Director and the Group Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively.

MANAGEMENT RESPONSIBILITY

The Management is responsible for the overall implementation of the Group’s policies and processes to identify, evaluate, measure, monitor and report on risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required. Its roles include:

- Identifying and evaluating the risks relevant to the Group’s business and achievement of its business objectives and strategies;
- Designing and implementing the risk management framework in accordance with the Group’s strategies and risk appetite, and monitoring its effectiveness; and
- Reporting in a timely manner to the Board on any changes to the risks or emerging risks and the appropriate actions taken.

Accordingly, the Management has provided assurance to the Board that the Group’s risk management and internal control system is operating adequately and effectively with the necessary processes having been implemented.

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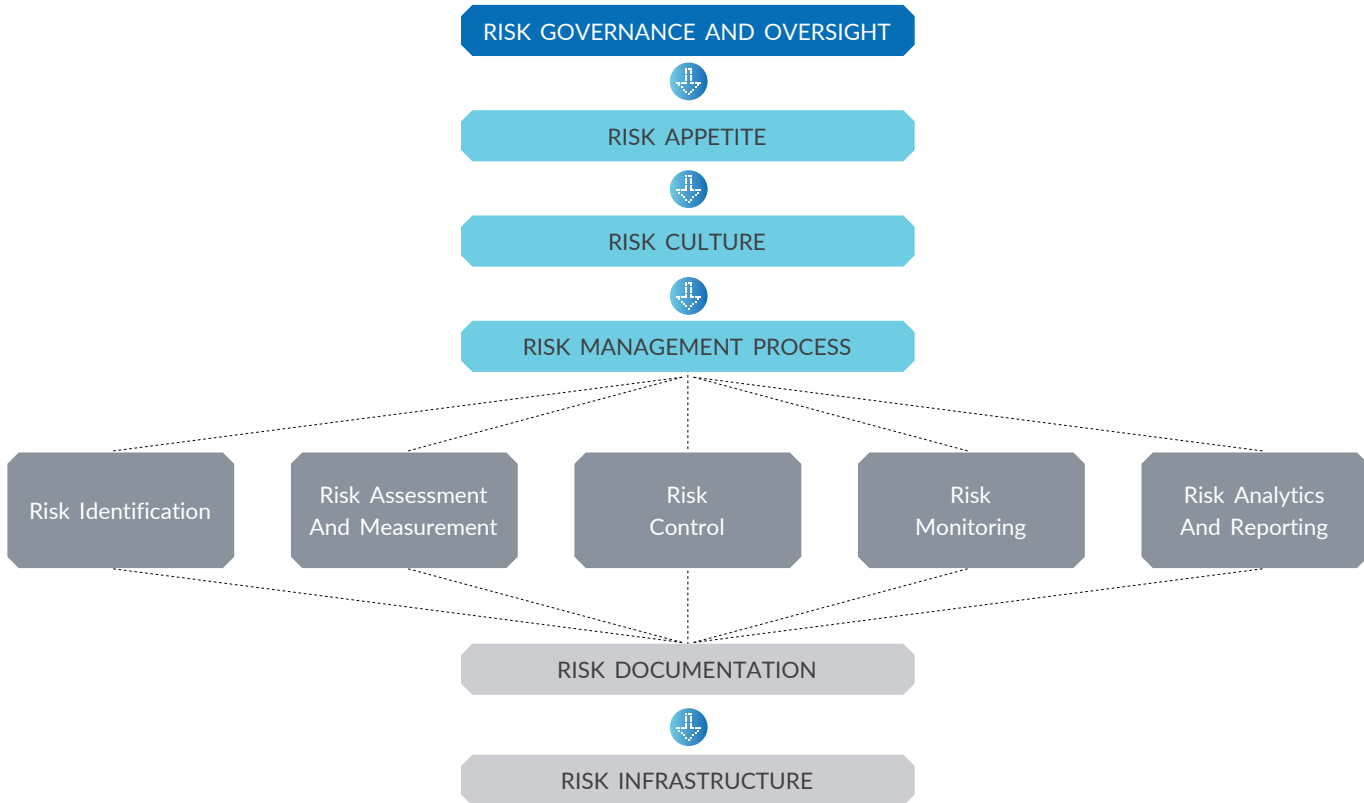
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Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK

The Group has in place a risk management framework approved by the Board for identifying, assessing and measuring, controlling, monitoring and reporting of significant risks faced by the Group in the achievement of the Group’s business objectives and strategies. The Group’s risk management framework ensures that there is an effective on-going process to identify, evaluate and manage risk across the Group and is represented in the following diagram:



Risk Governance and Oversight

The Board of Directors sits at the apex of the risk governance structure and is ultimately responsible for the Group’s/respective entities’ risk management strategy, appetite, framework and oversight of risk management activities.

In order to manage the businesses and risks across all subsidiaries in an integrated basis, Group level committees are established to ensure consistency in practices. However, the Group maintains entity-specific committees to allow for greater flexibility and agility in managing specific regulatory and business requirements. Each Board Risk Committee which reports directly to the respective Boards provides oversight and assists the respective Boards to review the Group’s overall risk management philosophy, frameworks, policies and models, and risk issues relevant and unique to its business.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Group Capital and Risk Committee (“GCRC”) comprising senior management of the Group and which reports to the relevant board committees and the Group Management Committee. The Investment Bank Risk Management Committee is responsible for oversight of risk management matters relating to RHB Investment Bank Group’s business whilst the Group Asset and Liability Committee (“Group ALCO”) oversees market risk, liquidity risk and balance sheet management.

The Board also oversees the development, maintenance and implementation of the Group’s Recovery Plan. The recovery planning process is integrated into the Group’s overall risk appetite, strategic planning and risk management framework.

Risk Appetite

Risk appetite for the Group is defined as the amount and the type of risks that the Group is willing to accept in pursuit of its strategic and business objectives. Risk tolerance on the other hand, is the acceptable level of variation relative to the achievement of the Group's strategic and business objectives. It is measured in the same units as the related objectives. It translates risk appetite into operational metrics and it can be defined at any level of the Group.

The defined risk appetite and risk tolerance are periodically reviewed by the Management and the Board in line with the Group's business strategies and operating environment. Such review includes identifying and setting new risk appetite metrics for the business entity or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Group's business strategy and risk posture.

The main business and operations inherent risks that were considered in the risk appetite review include regulatory compliance risk, credit risk, market and liquidity risk, operational risk, technology and cyber risk and Shariah non-compliance risk.

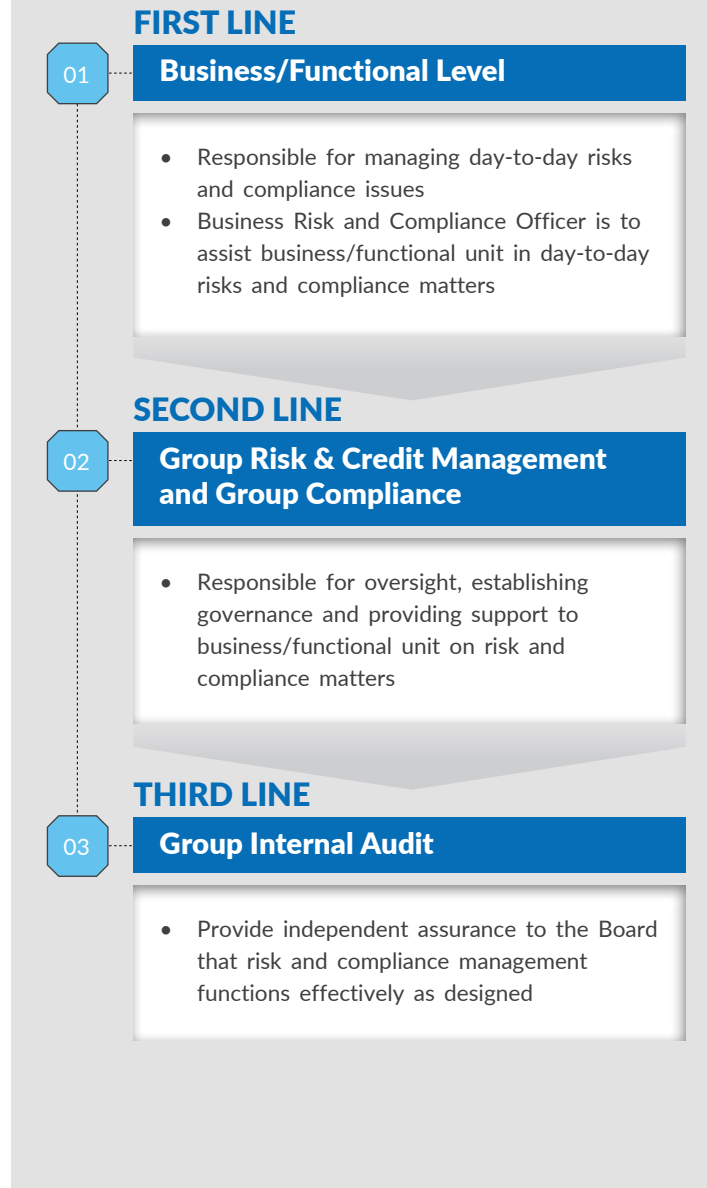
Risk Culture

Risk management is integral to all aspects of the Group's business and operations and is the responsibility of all employees across the Group. In line with regulatory requirements and industry leading practice, the Group subscribes to the principle that "Risk and Compliance is Everyone's Responsibility" and hence, risk management is a core responsibility of the respective businesses and operating units. This has been articulated and documented in the Group Risk Management Framework.

Guided by the said principle, the Group has implemented on-going Risk Culture and Awareness programme which comprises training and awareness campaigns, throughout the Group (including overseas branches and subsidiaries) to promote a healthy risk culture. A strong risk culture minimises the Group's exposure to financial and non-financial risks including reputational impact, over time.

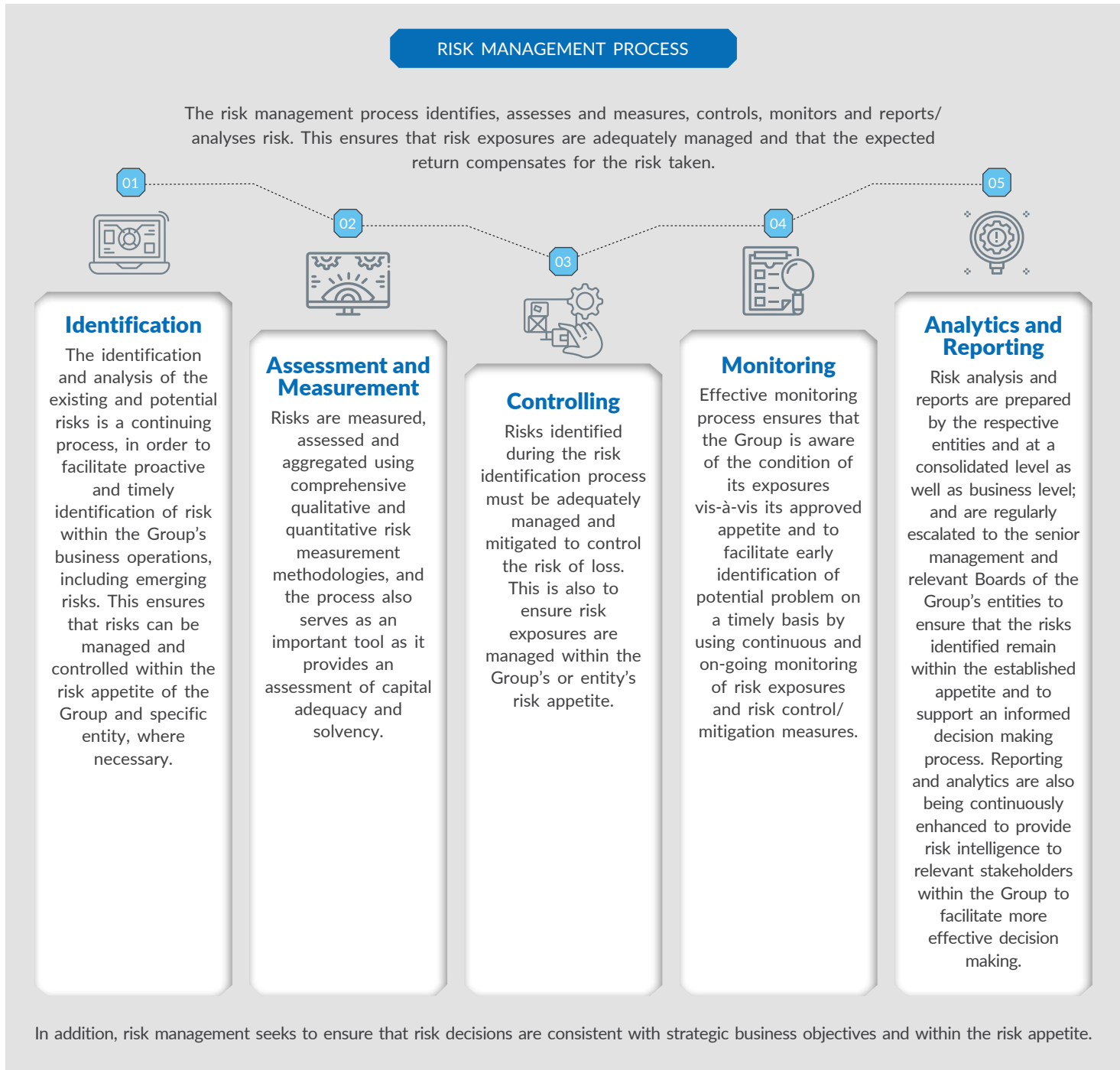
In addition, the Group has implemented the Business Risk & Compliance Officer ("BRCO") programme that aims to cultivate proactive risk and compliance management and to establish a robust risk culture. The BRCO programme entails the appointment of BRCO at the respective business and functional units who acts as key liaison on all risk and compliance matters.

The implementation of the BRCO programme is in line with the 'Three Lines of Defence' model practised globally. There is clear accountability of risk ownership across the Group. The model is depicted in the diagram below:



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Statement on Risk Management and Internal Control



Risk Documentation

The Group recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation and infrastructure. Towards this end, the Group has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are implemented consistently across the Group. Documents are subject to a robust review process to ensure they remain current.

Risk Infrastructure

The Group has organised its resources and talents into dedicated risk management functions and invested into the technology including data management to support the Group's risk management activities. Staff have clear roles and responsibilities, given access to relevant and up-to-date risk information, and the latitude to continuously enhance competency through learning and development programs.

Risk systems and tools are designed to provide accessibility of risk information that complement the risk management process. The availability of data for analytics and monitoring, and dashboards and reporting assists in continuously enhance risk management capability. The Group's Risk Management Report has evolved to be more analytically-driven dashboards which include elements of quantitative and qualitative forward looking projections.

Effective risk management requires the Group to continuously review its risk management capabilities to effectively manage risk and to improve risk management practices across the Group. Therefore, the Group has embarked on transformation journeys striving for improvements for better efficiency and effectiveness.

Further information on risk management is provided in the section on Key Risks and Mitigation of this Integrated Report.

KEY INTERNAL CONTROL PROCESSES

The Group’s system of internal control is designed to manage and reduce risks that will hinder the Group from achieving its goals and objectives. It encompasses the policies, procedures, processes, organisational structures and other control aspects that are implemented for assuring the achievement of the Group’s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and internal policies.

The key processes established by the Board that provide effective governance and oversight of internal control systems include:

Control Environment and Control Activities

Organisation Structure

The Group has a formal organisational structure with clearly defined lines of accountability and responsibility, authority limits and reporting. The organisational structure provides the basic framework in ensuring that the Group’s business and operations operate smoothly as well as depicting the span of control in ensuring effective supervision of day-to-day business conduct and accountability.

Sustainability Management

Previously, the Board had direct oversight of sustainability matters. With the launch of RHB’s 5-Year (2022-2026) Sustainability Strategy and Roadmap, a decision was made by the Group to set up a Board Sustainability Committee (“BSC”) to enable greater focus and in-depth discussions at the highest level on material sustainability and climate related matters that have been identified within the Group.

The BSC’s key role is to assist the Board in driving the Group’s sustainability and climate-related agenda and providing oversight of material Environment, Social and Governance (“ESG”) matters across the Group’s business strategies, operations and decision-making process.

The Group Sustainability Framework sets out its approach in managing material matters, mitigating negative impacts and contributing towards sustainable development. The Framework consists 3 thematic sustainability pillars, i.e. Sustainable and Responsible Finance, Embedding Good Practices and Enriching and Empowering Communities. Within each pillar, the Group has identified key focus areas that are important to the business and operations as well as its stakeholders.

In July 2021, the Group Sustainability Committee (“GSC”) was established at senior management level and is led by the Group Managing Director. The GSC is responsible for driving the Group’s sustainability and climate agenda and reports directly to the Board. In May 2022, the Group Chief Sustainability & Communications Officer was appointed as part of the Group’s efforts to enhance its sustainability governance structure and move closer to achieving its 5-Year (2022-2026) Sustainability Strategy.

To support the GSC, two (2) Sustainability Councils are established comprising key senior leaders from the Strategic Business Groups and Strategic Functional Groups to ensure successful implementation of the Group’s sustainability and climate-related matters. The two Sustainability Councils are the Sustainable Business Council and Responsible and Sustainable Practices Council. In driving the Group’s key focus areas, a network of Sustainability Sponsors and Champions comprising senior leaders has also been identified to lead and embed sustainability practices in their respective business and functional areas.

The Group Climate Action Programme (“GCAP”) is a core component of the Sustainability Strategy and Roadmap. Forming the catalyst for RHB’s climate risk management practices, GCAP builds expertise in managing climate-related risk, including integrating Bank Negara Malaysia, Securities Commission and other country regulations on climate related risk into our risk management process.

GCAP Phase 1 was completed in the second quarter of 2022 and the outcome was the completion of the Group Ambition Setting and Blueprint benchmarking against leading peer practices and relevant regulatory requirements.

In November 2022, the Group embarked on GCAP Phase 2, which covers all elements of Climate Framework across Strategy, Governance, Risk Management and Disclosure, aligned with leading peer practices as well as Bank Negara Malaysia guidelines towards developing the Group’s pathway to net zero by 2050.

Policies and Guidelines

Policies, guidelines and processes governing the Group’s businesses and operations are documented and communicated Group-wide as well as made available to employees through the Group’s intranet portal for ease of reference and compliance. These policies, guidelines and processes are reviewed and updated by the business and functional units through a structured review and approval process to cater to changes in laws and regulations as well as changes to the business and operational environment.

Authority Limits

The Board has approved the Group Manual of Authority (“MOA”) which defines the approving authority with its approving limits for the various levels of Management in the Group. Accordingly, the Management is empowered to discharge their responsibilities and be accountable for their decisions and actions. The Group MOA is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

Technology and Cyber Risk Management

The Group regards IT security as a very high priority to ensure the confidentiality, integrity and availability of the Group’s information assets and IT infrastructure.

IT security in the Group is achieved through the implementation of a risk based control approach covering people, process and technology. IT Security policies, standards, guidelines and procedures are well established and supported by proper organisational structures with competent resources. Defence in depth strategy is used where multiple layers of IT Security controls are enforced throughout the IT infrastructure and system. But equally important to the technology and process controls is the continuous programme to raise the level of security awareness of staff of all levels, Board members as well as third party technology service providers.

With the increasing number of cyber threats globally as well as locally, the Group has established a Cyber Incident Response Guideline to ensure that there is a structured process of prompt monitoring and timely response to cyber threats and incidents.

This is operationalised through our Security Operation Centre staffed with qualified cyber security professionals and equipped with market-leading solutions. Regular tests are conducted to ensure the readiness of our people and robustness of our processes and solutions.

In order to strengthen and enhance the level of information security management, the Group has obtained certification of ISO/IEC27001:2013 in addition to complying with various regulatory requirements on managing information technology risk holistically.

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SR Please refer to our Sustainability Report 2022 for more details on our Group Sustainability Framework, sustainability governance and initiatives. 

Statement on Risk Management and Internal Control

Control Environment and Control Activities

In addition, the rapid adoption of digitisation has led to increased risks to traditional on-premises computing system. To address this emerging risk, the Group has adopted a multi-pronged approach:

- Deployment of digital solutions with increased investment in security infrastructure and the hiring of support personnel with skillset covering digital fraud and cloud security.
- Establishing proper governance in the management of digital deployment including independent third party security reviews and introduction of policies to strengthen the security controls covering the overall digitisation initiative.
- Continuous assessment of Third Party's cyber security posture and subscription of threat intelligence service for better visibility of the current cyber landscape.
- Enforcement of secure coding practices that applies security considerations to how software will be coded and encrypted to best defend against cyber-attack or vulnerabilities.

Budgeting Process

A robust budgeting process is established requiring all key operating entities in the Group to prepare budgets and business plans annually for approval by the respective Boards. The budgets and business plans as well as strategic initiatives, taking into account the established risk appetite, go through a challenged session with Management prior to deliberation at the Board where the Group budget is presented.

Human Capital Management

One of the key constituents of any internal control system is its people and that our system of risk management and internal control is dependent on the responsibility, integrity and sound judgement that employees apply to their work. Hence, the Group has in place policies and procedures that govern recruitment, appointment, performance management and rewards as well as matters relating to discipline, termination and dismissal.

For sustainable growth, the Group places emphasis on human capital development, talent management and succession planning. To enhance employee competencies, structured and technical trainings as well as management and leadership workshops are provided to them based on their identified needs during the annual performance assessment. For talent management, initiatives such as Leadership Development Programme, Individual Development Plan and mentoring are implemented to develop identified talents in the Group to facilitate the continuous supply of high potentials and suitable successors for future leadership roles.

Group Code of Ethics and Conduct

The Group Code of Ethics and Conduct ("the Code") is established to ensure a high standard of ethical and professional conduct is upheld by all employees in performing their duties and responsibilities. It is a requirement that all employees of the Group understand and observe the Code. New recruits are briefed on the Code and are required to sign the Employee Declaration of Compliance Form upon joining the Group.

The Group has also established the Gifts and Hospitality Guideline to promote integrity and transparency for giving and receiving gifts. The Guideline complements the Code and are designed to help the Group and its employees understand the respective parties' obligations in upholding corporate integrity and transparency about gifting.

Group Anti-Bribery and Corruption Policy

The Group takes a zero tolerance stance on bribery and corruption in line with its core shared values. The Group is committed to conducting

its business in accordance with the Malaysian Anti-Corruption Commission Act 2009 and all other applicable laws and regulations. The Group's Anti-Bribery and Corruption Policy sets the guiding principles to support the Group's business operations and assist employees to uphold corporate integrity and the Group's reputation. In further strengthening the Group's anti-bribery and corruption efforts, the Group launched its Organisational Anti-Corruption Plan (2022-2026) which will serve as a blueprint over the coming years to address any weakness within the Group's controls and to ensure they are remedied in a timely manner.

Group Anti-Money Laundering and Counter Financing of Terrorism Policy

The Group Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy ("Group AML/CFT Policy") was revised and updated in 2022, in accordance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and Bank Negara Malaysia ("BNM")'s standards on AML/CFT. It sets out the high level standards towards building a stronger and robust AML/CFT compliance regime within the Group, facilitates consistency in managing the AML/CFT compliance risk across the Group, and sets out the Group's policy statements in respect of the general principles and key measures to which the Group adheres to.

Pursuant to the Group AML/CFT Policy, the entities and/or employees within the Group are required to adopt Risk Based Approach ("RBA") for customer acceptance and to implement the AML/CFT Compliance Programme framework. The RBA is applied for assessment on customer due diligence ("CDD") requirements, monitoring of customer activities/ transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of customer information, and enforcement actions for non-compliance to the requirements.

As stipulated in Group AML/CFT Policy, the roles and responsibilities of business compliance officer ("BCO") has been enhanced within an existing governance structure by making the BCO's the first point of contact for AML/CFT related matters and are required to provide guidance to business departments and branches. In addition, BCOs are also responsible for providing advisory support to GMD/Board on planning, implementing and overseeing risk related issues on all business pillars within RHB Group.

The policy also reinforces that the Board has an oversight responsibility for establishing the AML/CFT policies/guidelines and minimum standards while the senior management is accountable for the implementation and management of AML/CFT compliance programs in accordance with the policies and guidelines as approved by the Board.

RHB Group also conducted a review and subsequently revised the Group's Sanctions Policy to demonstrate its strong commitment in combating AML/CFT risks and to ensure compliance with all applicable AML/CFT and Targeted Financial Sanctions laws and regulations that are legally binding upon RHB Group and its businesses. As such, RHB Group has enhanced the Group's Sanctions Policy to be more stringent under some circumstances than the requirements stipulated in the current laws and regulations. Restrictions and prohibitions in the policy were enhanced to mitigate the risk of breach of sanctions and to continue to uphold the zero tolerance policy towards sanctions breaches or non-compliances.

The various AML initiatives led and completed by RHB Group in the past year were driven by the Group's continuous commitment and efforts to comply with the applicable sanctions, laws and regulations.

Control Environment and Control Activities

The Group AML/CFT Policy also outlines the roles and responsibilities as well as establishes clear accountability of the Board, Senior Management and all employees within the Group.

Group Fraud Risk Management Policy

The Group Fraud Risk Management Policy is designed to promote consistent organisational behaviour through the development, implementation, and regular review of fraud prevention, detection and response strategies. The Group Fraud Risk Management Policy defines the core governing principles for fraud risk management within the Group which include leadership and ethical culture, fraud awareness and prevention, fraud control and detection, fraud reporting and escalation as well as fraud

response with appropriate corrective actions. The Group Fraud Risk Management Policy also outlines the roles and responsibilities of the Board, Senior Management and respective stakeholders within the Group on fraud risk management.

The Group is also participating at the industry level in combating fraud and has implemented countermeasures to prevent online banking fraud. Our two-prongs prevention actions included internal measures such as continuous tuning of our fraud systems parameters through analytics and external measures focusing on client awareness campaigns. Our dedicated fraud team runs on a twenty four by seven shifts, coupled with the two-prongs approach and zero-tolerance policies mitigates frauds across the 3 lines of defence structure of the Group.

Business Continuity Management

The Group recognises and is fully committed to the need to provide uninterrupted critical services to its customers, ensure the safety of its employees, protect its assets including data, and safeguard the interest of its key stakeholders that collectively ensure the viability of the organisation. Hence, the Group is aware of the importance of a sound Business Continuity Management (“BCM”) Framework and Programme to build organisational resilience and an effective response and recovery mechanism to safeguard the interest of key stakeholders, reputation and brand. The Group’s BCM Programme is based on good business continuity practices, BNM and other regulatory guidelines and international standards.

The Board has an oversight function on the Group’s BCM readiness through the BRC and GCRC. The Group Business Continuity Committee is the management committee established to oversee the Group’s business continuity framework, policies, budget and plans, and reports to GCRC.

A sound BCM Programme has been implemented in the Group to ensure the critical business functions are recovered in a timely manner in the event of any disruption. Reviews, assessments, updates and testing of the BCM plans are conducted regularly to ensure adequacy, effectiveness and readiness of the business recoveries. Simulation exercises and drills are conducted to familiarise and equip staff with the skills and processes required to ensure timely resumption of critical functions and business resiliency in the event of any disruption.

The COVID-19 pandemic has posed many challenges to business operations as it affected not only the lives but also livelihood of

the people. This has necessitated the adoption of new normal in the daily life, and adjustment in the operations of banking business to embrace these changes. The Management has put in place proactive and precautionary measures to mitigate and manage outbreak and risk of infection while ensuring continuous provision of essential services, this includes activation of Business Continuity Plan (“BCP”) pandemic strategy including split operations and Work-From-Home arrangements, utilisation of digital platform for any meetings, communication platform to provide advisory and updates on any revision of the COVID-19 Standard Operating Procedures (“SOP”) for all employees of the Group.

Moving in tandem with COVID-19 coordination are some new initiatives to enhance the BCM programme. The Group has enhanced the crisis management processes with a view of expediting the crisis response and minimising the impact to ensure the resiliency of our operations. The Group has expanded the scope of BCP/Disaster Recovery Plan (“DRP”) test activities of RHB Banking Group to prepare for all scenarios. The Group has also conducted assessment on managing and responding to COVID-19 outbreak and incorporated lessons learned to enhance the control measures arising from the new norm and the operational resiliency within the Group.

We strive to continue improving our BCM framework through the maturity curve, we are aligning our BCM practices towards operational resiliency, e.g. (i) the ability to withstand, recover or even adapt to incidents that may cause harm, destruction or loss of ability to perform functions; and (ii) focus on outcomes and allows business to continue operations during turbulent times.

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Statement on Risk Management and Internal Control

Information and Communication

Performance Review

Regular and comprehensive information is provided by Management to monitor its performance against the strategic business plan and the annual budget approved by the Board. This information covers all key financial and operational indicators as well as key strategic initiatives undertaken by the Group during the year.

The Board and the Group Management Committee (“GMC”) receive and review financial reports on the Group’s monthly and quarterly financial performance against approved targets and the reasons for any significant variances as well as measures that are being put in place to meet such targets.

The heads of the core businesses and functions in the Group present their respective management reports to the GMC at its monthly meeting, covering areas such as financial performance, key activity results and new business proposal or process for information and deliberation by the GMC.

Group Whistleblowing Policy

To ensure employees are accorded the opportunity to raise concerns without the fear of reprisal, a Group Whistleblowing Policy (“GWBP”) was established in 2007. The GWBP provides a proper mechanism and minimum standards to be adhered by entities across the Group in dealing with disclosure on questionable actions or wrongdoings by any personnel in the Group and the Group’s Business Partners. The GWBP also provides a primary designated whistleblowing channel, namely speakup@rhbgroup.com. The GWBP was last updated in 2021. Details of the GWBP can be found under Practice 3.2 of the RHB Bank’s Corporate Governance (“CG”) Report, available at www.rhbgroup.com

Incident Management Reporting

To complement the Group’s internal control monitoring, a comprehensive incident management reporting guideline has been implemented to ensure proper escalation and management of incidents according to the level of severity. The established incident management reporting process ensures that all incidents with material risk and losses are escalated promptly within the escalation timeline to Senior Management and the Board with necessary steps taken to mitigate any potential risks that may arise. Periodic monitoring and updating on the progress of the incidents until resolution enables the decision makers to undertake informed decision-making and be kept up to date on situations as well as manage risks effectively.

Monitoring

Board Committees

The Board has in place, Board Committees that are set up to support the Board in its oversight function. The Board Committees include RHB Bank BAC, RHB Insurance BAC, RHB Asset Management BAC, BRC, Investment Bank Board Risk Committee (“IBBRC”), Islamic Board Risk Committee (“BRC-i”), Insurance Board Risk Committee (“Insurance BRC”), Board Credit Committee, BSC and Board Nominating & Remuneration Committee.

These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective Terms of Reference (“ToR”). Detailed responsibilities of these Board Committees can be found under RHB Bank Berhad’s CG Report, Board Charter and their respective ToRs available at www.rhbgroup.com

Group Management Committee

The GMC comprises the Group Managing Director as the Chairman, the Chief Executive Officers/Managing Directors of the relevant key operating subsidiaries and the key Senior Management of the Group. The GMC provides the leadership and direction in the implementation of strategies and policies approved by the Board and meets monthly to discuss and deliberate strategic matters that impact the Group’s operations.

Management Audit Committees

Management Audit Committees (“MACs”) are established at the key operating entities in the Group to ensure timely rectification of any audit findings and the underlying causes highlighted by the internal and external auditors, and regulators. The status of rectification of all audit findings and the mitigation action plans implemented by Management to adequately address the underlying causes are closely monitored by the MACs at every meeting.

The MACs comprising senior level representatives from different business/functional groups are chaired by the Group Chief Financial Officer/Managing Director of the entity concerned. The MACs meet monthly/bi-monthly and the minutes of meetings together with the relevant audit reports are subsequently tabled to the BAC for information, deliberation and direction for further action where required.

Group Compliance

Group Compliance supports the Group in all regulatory and compliance matters by ensuring compliance with the relevant laws, rules and regulations issued by the regulators. The Group is committed to maintaining the highest standards of business conduct and ethics by establishing robust and comprehensive policy, procedures, processes and systems to ensure honesty, transparency and integrity whilst upholding the Group’s reputation and protecting its shareholders, customers and employees.

Monitoring

Group Compliance has an on-going initiative to build a stronger “culture of compliance” in its day-to-day operations to ensure that any risks identified are better managed so that the Group meets the relevant regulatory requirements. In the past year alone, RHB Group completed approximately 300 compliance culture programs and issued various learning publications in an effort to maintain a robust compliance culture within the organisation. The Group has made continuous effort in monitoring and managing the Group’s compliance risk challenges and actively propagates that Compliance is the responsibility of all staff. In 2022, RHB Group completed the enhancement of the CRA and AMLRA methodologies for more effective identification and management of regulatory risks. As part of its ongoing risk management efforts, approximately 700 reviews were conducted across the Group.

Furthermore, under the RHB AML/CFT Capabilities Enhancement Program, RHB Group has uplifted its AML capabilities through the enhancement of AML data governance and data management, transaction monitoring scenario coverage and calibration, and screening rules and matching validation. These enhancements will give rise to a more productive and efficient AML transaction monitoring and data gathering process which translates to faster completion of AML reviews and assessment.


INTERNAL AUDIT

Group Internal Audit (“GIA”) is established by the Board to provide an independent appraisal on the adequacy and effectiveness of the Group’s risk management, internal control and governance processes implemented by the Management. GIA is headed by the Group Chief Internal Auditor who reports functionally to the BAC and administratively to the Group Managing Director to ensure GIA’s independence from Management.

The internal audit universe covers all key activities of the Group, including that of its branches, all the business and support functions, overseas operations, subsidiaries as well as outsourced activities. GIA adopts a risk-based approach in determining the auditable units and frequency of audits in line with the Group’s key risks, strategies and areas of focus, which are identified based on GIA’s risk assessment methodology. The risk-based internal audit plan is approved by the BAC annually.

Audits are conducted in accordance with the approved audit plan while investigations and ad-hoc reviews are carried out as requested by Management, the Board or regulators. Audit reports detailing the audit findings, root causes, risk & impact, GIA’s comments and recommendations, and Management’s response are tabled to MACs and BAC on a monthly basis. In addition, Shariah Audit reports are also tabled to Shariah Committee for notification and deliberation.

GIA has deepened the use of data analytics, robotic process automation and optical character recognition to enhance the efficiency and effectiveness of audits performed. GIA has engaged an external consultant to roll out a new programme on competency framework to enhance the capability building for GIA as well as preparing the internal audit staff to be ‘auditors of the future’.

Further information on the GIA function is provided in the Board Audit Committee Report of this Integrated Report. 

Shariah Compliance

In line with the Shariah Governance Policy Document issued by BNM, a comprehensive Shariah Governance Framework which encompasses the Group’s Shariah governance structure, the key principles Shariah governance and control functions, the reporting structure as well as its roles and responsibilities has been maintained by the Group.

Various activities and initiatives such as Shariah reviews, assessment, trainings and briefings, and the implementation of staff implication of non-compliance review findings aimed to further strengthen the Bank’s compliance culture. On the other hand, some key developments within the Shariah compliance purview include the enhancement of Shariah Compliance Self-Assessment across several branches and the digitalisation of Shariah compliance checklist for Islamic financing products. Shariah compliance awareness as well as continuous learning programs were conducted throughout the year to educate employees on the importance of Shariah requirements and compliance surveillance.

CONCLUSION

The Board, through RHB Bank BAC, RHB Insurance BAC, RHB Asset Management BAC, BRC, IBBC, BRC-i and Insurance BRC confirms that it has reviewed the adequacy and effectiveness of the Group’s risk management and internal control system.

Based on the monthly updates from its Board Committees and the assurance received from the Management, the Board is of the view that the Group’s risk management and internal control system is operating adequately and effectively for the financial year under review and up to the date of approval of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (“AAPG”) 3 issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

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Analysis of Shareholdings

as at 28 February 2023

Number of Issued Shares : 4,247,373,628 ordinary shares

Class of Shares : Ordinary shares

Voting Rights : Each shareholder present in person or by proxy at any Shareholders' Meeting shall have one vote for each ordinary share held

Number of Shareholders : 27,453

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100 shares	2,123	7.73	48,639	0.00
100 – 1,000 shares	6,256	22.79	3,896,644	0.09
1,001 – 10,000 shares	14,746	53.71	52,238,251	1.23
10,001 – 100,000 shares	3,370	12.28	96,001,218	2.26
100,001 to less than 5% of the issued shares	956	3.48	2,100,206,976	49.45
5% and above of the issued shares	2	0.01	1,994,981,900	46.97
Total	27,453	100.00	4,247,373,628	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares			
		Direct	%	Indirect	%
1.	Employees Provident Fund Board ("EPF") ¹	1,726,331,956	40.64	–	–
2.	OSK Holdings Berhad	434,197,406	10.22	–	–
3.	Kumpulan Wang Persaraan (Diperbadankan)	199,284,391	4.69	42,535,838	1.00
4.	Tan Sri Ong Leong Huat @ Wong Joo Hwa ²	–	–	434,197,406	10.22
5.	Yellow Rock (L) Foundation	–	–	434,197,406	10.22

Notes:

¹ The interest of EPF is held through various fund managers.

² Deemed interested pursuant to Section 8(4) of the Companies Act 2016, by virtue of shares held through OSK Holdings Berhad.

DIRECTORS' INTEREST IN SECURITIES OF THE COMPANY AND ITS RELATED CORPORATION

The Company	Shareholdings	
	No. of Shares Held	%
Tan Sri Ong Leong Huat @ Wong Joo Hwa		
– Indirect ¹	434,230,905	10.22
Ong Ai Lin		
– Direct	28,192	*

Notes:

* Negligible percentage.

¹ Deemed interested pursuant to Sections 8(4) and 59 of the Companies Act 2016, by virtue of shares held through OSK Holdings Berhad and his family members.

Classification of Shareholders

as at 28 February 2023

Category	No. of Shareholders		Shareholdings		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Individual						
Bumiputera	632	0	3,704,727	0	0.09	0.00
Chinese	18,884	0	116,831,508	0	2.75	0.00
Indian	671	0	3,242,311	0	0.08	0.00
Others	84	486	411,954	8,893,467	0.01	0.21
Body Corporate						
Banks/Finance Companies	45	1	679,826,861	10,500	16.00	0.00
Investments Trusts/ Foundation/Charities	12	0	544,274	0	0.01	0.00
Other Types of Companies	366	17	323,993,152	24,648,941	7.62	0.58
Government Agencies/ Institutions						
	2	0	5,979,990	0	0.14	0.00
Nominees						
	5,113	1,138	2,386,923,135	692,336,743	56.20	16.30
Others						
	2	0	26,065	0	0.00	0.00
Total	25,811	1,642	3,521,483,977	725,889,651	82.90	17.09

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Changes in Share Capital

as at 28 February 2023

The number of issued shares of the Company as at 28 February 2023 is 4,247,373,628 ordinary shares.

The changes on the number of issued shares since 1999 are as follows:

Date	No. of Shares Allotted	Description	Cumulative No. of Issued Shares	
			Preference Shares	Ordinary Shares
03/06/1999	308,500,000 (preference shares)	Issued pursuant to Sale of Shares Agreement between RHB Bank Berhad ("RHB Bank"), Rashid Hussain Berhad (as promoter), Sime Darby Financial Services Holdings Sdn Bhd and KUB Malaysia Berhad for the acquisition of 90.36% equity interest in Sime Bank Berhad.	308,500,000	3,899,971,952
03/06/1999	1,000,000,000 (preference shares)	Issued pursuant to Subscription Agreement dated 30 November 1998 between Danamodal Nasional Berhad, RHB Capital Berhad ("RHB Capital") and RHB Bank.	1,308,500,000	3,899,971,952
01/09/1999	4,469,561 (preference shares)	Issued pursuant to the compulsory acquisition of the remaining 9.64% equity interest in Sime Bank Berhad.	1,312,969,561	3,899,971,952
23/09/1999	55,129,584 (preference shares)	Issued pursuant to the compulsory acquisition of the remaining 9.64% equity interest in Sime Bank Berhad.	1,368,099,145	3,899,971,952
27/03/2008	2,736,198,290 (ordinary shares of RM0.50 each)	Issued pursuant to the Conversion Notice received by RHB Bank in respect of the Irredeemable Non-Cumulative Convertible Preference Shares ("INCPS") holder, RHB Capital's intention to convert its entire 1,368,099,145 INCPS of RM1.00 each into new ordinary shares of RM0.50 each in RHB Bank.	-	6,636,170,242
31/10/2014	94,802,428 (ordinary shares of RM0.50 each)	Issued pursuant to Rights Issue on the basis of 1 new ordinary share for every 70 existing ordinary shares held.	-	6,730,972,670
03/04/2015	190,197,391 (ordinary shares of RM0.50 each)	Issued pursuant to Rights Issue on the basis of 28.26 new ordinary shares for every 1,000 existing ordinary shares held.	-	6,921,170,061
18/02/2016	Not applicable	Consolidation of every 2 existing ordinary shares of RM0.50 each into 1 new ordinary share of RM1.00 each.	-	3,460,585,030
07/04/2016	101,618,705 (ordinary shares of RM1.00 each)	Issued pursuant to Rights Issue on the basis of 29.3646 new ordinary shares for every 1,000 existing ordinary shares held.	-	3,562,203,735
14/04/2016	447,841,886 (ordinary shares of RM1.00 each)	Cash.	-	4,010,045,621
08/07/2021	58,314,499 (ordinary shares of RM4.61 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Final Dividend in respect of financial year ended 31 December 2020.	-	4,068,360,120
03/11/2021	74,558,388 (ordinary shares of RM4.69 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Interim Dividend in respect of financial year ended 31 December 2021.	-	4,142,918,508
16/06/2022	69,158,646 (ordinary shares of RM5.17 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Final Dividend in respect of financial year ended 31 December 2021.	-	4,212,077,154
07/11/2022	35,296,474 (ordinary shares of RM4.97 each)	Issued pursuant to Dividend Reinvestment Plan applicable to the Interim Dividend in respect of financial year ended 31 December 2022.	-	4,247,373,628

List of Thirty (30) Largest Shareholders

as at 28 February 2023

No.	Name	Shareholdings	
		No. of Shares	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,726,331,956	40.64
2	OSK HOLDINGS BERHAD	268,649,944	6.33
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	199,284,391	4.69
4	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA	188,846,800	4.45
5	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD FOR OSK HOLDINGS BERHAD	135,418,264	3.19
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	95,520,444	2.25
7	PERMODALAN NASIONAL BERHAD	85,236,059	2.01
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	53,191,788	1.25
9	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA 3	47,030,860	1.11
10	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	39,093,224	0.92
11	PERTUBUHAN KESELAMATAN SOSIAL	34,920,285	0.82
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	26,842,188	0.63
13	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	26,536,217	0.62
14	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	24,021,988	0.57
15	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	23,060,100	0.54
16	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA 2 - WAWASAN	22,232,200	0.52
17	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	21,174,969	0.50
18	PERTUBUHAN KESELAMATAN SOSIAL PKSACT41969 P2	20,373,080	0.48
19	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	20,282,200	0.48

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No.	Name	Shareholdings	
		No. of Shares	%
20	RHB NOMINEES (TEMPATAN) SDN BHD MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR OSK HOLDINGS BHD (OSK I CM T1)	19,480,545	0.46
21	GUOLINE (SINGAPORE) PTE LTD	19,039,312	0.45
22	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	18,153,100	0.43
23	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	17,279,988	0.41
24	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	16,486,100	0.39
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	15,547,468	0.37
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	15,347,888	0.36
27	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	14,405,086	0.34
28	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	14,242,725	0.34
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	13,791,885	0.32
30	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	13,587,600	0.32

List of Top Ten (10) Properties

Location	Owner	Description of Property	Land Area (sq. m.)	Usage	Age of building (Years)	Tenure	Year of Expiry on Lease	Net Book Value 31.12.2022 (RM' 000)	Year of Acquisition or Revaluation
MALAYSIA									
Kuala Lumpur									
1. Tower 1, Tower 2 & 3 RHB Centre 424 & 426 Jalan Tun Razak	RHB Bank Berhad	12 storey & 16 storey office building	10,270	Office Space	33 & 27	Freehold	-	179,222	2016
Penang									
2. 44 Lebuhr Pantai Georgetown	RHB Bank Berhad	1 unit of 6½ storey commercial building	896	Bank Branch	63	Freehold	-	3,015	1968
3. Unit 11 & 12 Jalan Chain Ferry Tmn Inderawasih Seberang Prai	RHB Bank Berhad	2 units of 3 storey commercial building	603	Bank Branch	28	Freehold	-	3,293	1998
Selangor									
4. Lot No. 8 Jalan Institusi Bandar Baru Bangi	RHB Bank Berhad	6 storey office Block, 5 storey Training Block, 7 storey IT Block & 5 storey Car Park Block	55,713	Training Centre	22	Leasehold	2090	56,382	1992
Perak									
5. No. 2, 4, 6 & 8 Jalan Tun Sambanthan Ipoh	RHB Bank Berhad	4 storey office building	890	Bank Branch	25	Freehold	-	4,195	1991
SINGAPORE									
6. 90 Cecil Street	Banfora Pte Ltd	2 commercial buildings	796	Commercial Building	43	Leasehold	2980	157,591	1997
7. 10, Jalan Besar 01-03 Sim Lim Tower	RHB Bank Berhad	Ground Floor of office buildings	543	Bank Branch	44	Freehold	-	25,299	1999
8. 14A/B, 16A/B & 18A/B East Coast Road	RHB Bank Berhad	3 units of 3 storey shophouses	442	Bank Branch	64	Freehold	-	13,358	1999
9. 1/1A/1B Yio Chu Kang Road	RHB Bank Berhad	First Floor of office buildings	101	Bank Branch	42	Freehold	-	9,584	1999
10. No. 537/539 Geylang Road	RHB Bank Berhad	3 storey shophouses	374	Bank Branch	99	Freehold	-	8,933	1999

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Notice of 57th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 57th Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “Company”) will be held on a virtual basis at the broadcast venue, Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 10 May 2023, at 10.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|--|--------------------------------------|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Directors’ and Auditors’ Reports thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Clause 94 of the Company’s Constitution and being eligible, offer themselves for re-election: | |
| | (i) Tan Sri Ong Leong Huat @ Wong Joo Hwa | Ordinary Resolution 1 |
| | (ii) Ms Ong Ai Lin | Ordinary Resolution 2 |
| | (iii) Dato’ Mohamad Nasir Ab Latif | Ordinary Resolution 3 |
| | (iv) Mr Donald Joshua Jaganathan | Ordinary Resolution 4 |
| 3. | To approve the payment of Directors’ fees and Board Committees’ allowances to the Non-Executive Directors for the period from the 57 th AGM to the 58 th AGM of the Company. | Ordinary Resolution 5 |
| 4. | To approve the payment of Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) of an amount up to RM2,400,000.00 to the Non-Executive Directors for the period from the 57 th AGM to the 58 th AGM of the Company. | Ordinary Resolution 6 |
| 5. | To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 58 th AGM of the Company, at a remuneration to be determined by the Directors. | Ordinary Resolution 7 |

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions:

- | | | |
|----|---|-----------------------|
| 6. | AUTHORITY FOR DIRECTORS TO ISSUE SHARES | Ordinary Resolution 8 |
| | <p>“THAT subject always to the Companies Act 2016, the Company’s Constitution and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) (“New Shares”) for the time being, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the New Shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.</p> <p>AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 14(e)(i) of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued under the authority.”</p> | |

7. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN THE COMPANY (“RHB BANK SHARES”) PURSUANT TO THE DIVIDEND REINVESTMENT PLAN (“DRP”) (“DRP SHARES”)**

“**THAT** pursuant to the DRP as approved at the 55th AGM of the Company held on 25 May 2021 and subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the board of directors of the Company (“**Board**”) to allot and issue such number of DRP Shares from time to time as may be required to be allotted and issued, upon the terms and conditions and to such persons as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company **PROVIDED THAT** the issue price of the DRP Shares, which will be determined by the Board on the price-fixing date to be determined and announced (“**Price Fixing Date**”), shall be fixed by the Board at a price of not more than a 10% discount to the 5-day volume weighted average market price (“**VWAP**”) of RHB Bank Shares immediately before the Price Fixing Date. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the DRP Shares and that such authority to allot and issue the DRP Shares shall continue to be in force until the conclusion of the Company’s next AGM;

THAT the DRP Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares in RHB Bank, save and except that the DRP Shares shall not be entitled to any dividends, rights, benefits, entitlements and/or other distributions that may be effected before the date of allotment of the DRP Shares;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds and undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the allotment and issuance of DRP Shares, with full powers to assent to any conditions, variations, modifications and/or amendments, including amendment, modification, suspension and termination of the DRP, as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

Azman Shah Md Yaman (LS 0006901) (SSM PC No.: 201908001628)
 Hasnita Sulaiman (MAICSA No. 7060582) (SSM PC No.: 201908001631)
 Company Secretaries

Kuala Lumpur
 11 April 2023

Ordinary Resolution 9

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Notice of 57th Annual General Meeting

NOTES:

Virtual AGM

1. The 57th AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting facilities which are available at <https://meeting.boardroomlimited.my> and registration for the meeting are available on the website of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, at Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/>. Please follow the procedures provided in the Administrative Details for the 57th AGM in order to register, participate and vote remotely.
2. The Broadcast Venue of the 57th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 57th AGM is to inform members where the virtual AGM production and streaming would be conducted from. Members/proxies from the public will not be allowed to be physically present at the meeting venue.

Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 May 2023 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 57th AGM using the remote participation and electronic voting facilities.
2. A member of the Company entitled to participate and vote remotely at the forthcoming 57th AGM is entitled to appoint one or more proxies to participate and vote remotely in his/her place. A proxy may but need not be a member of the Company.
3. The Form of Proxy must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
5. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7. The Form of Proxy or other instruments of appointment must be deposited at the office of the share registrar of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodged electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com/> not later than 48 hours before the time fixed for holding the forthcoming 57th AGM or any adjournment thereof.

Explanatory Notes

1. Item 1 of the Agenda – Audited Financial Statements for Financial Year Ended 31 December 2022

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolutions 1, 2, 3 and 4 – Re-election of Retiring Directors

Clause 94 of the Company's Constitution provides that one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire by rotation at an AGM of the Company and be eligible for re-election. With the current Board size of ten (10), four (4) Directors are to retire in accordance with Clause 94 of the Company's Constitution.

- (a) For the purpose of determining the eligibility of the Directors to stand for re-election at the 57th AGM, the Board Nominating & Remuneration Committee ("BNRC") has assessed each of the retiring Directors via the annual Board Effectiveness Evaluation ("BEE") exercise for assessment period 18 months, from **1 January 2021 to 30 June 2022**.

The Company undertook a comprehensive assessment of the Board, Board Committees and Individual Directors. The questionnaires for each Board Member were customised based on the Board Member's representation of the respective entity's Board and/or Board Committee. The BEE questionnaires were designed based on the principles and governance practices set out in local regulatory standards and requirements, and international good practices.

- (b) The annual assessment of the individual Directors of the Company was conducted based on the relevant performance criteria which include the following:

Part A evaluated overall behaviours and culture of the Board and Board Committees. The BEE evaluated the Board as a collective unit based on five (5) dimensions, namely:	Part B evaluated individual Board member's contribution to the Board and competencies of each Board member which included:	
<ul style="list-style-type: none"> • Structure, Strategy & Performance • Interaction & Communication • Boardroom Culture • Environmental, Social & Governance • Leadership 	<ul style="list-style-type: none"> • Balancing Stakeholders • Cultivating Innovation • Broad Perspective • Strategic Vision • Ensuring Accountability • Developing Talent 	<ul style="list-style-type: none"> • Managing Conflict • Courage • Managing Ambiguity • Dedication • Situational Adaptability • Independence

- (c) The full profile of the Directors up for re-election/re-appointment can be found in RHB Bank Berhad's Integrated Report 2022 and the detailed write-up on the outcome of the BEE is disclosed under **Practice 6.1** of RHB Bank Berhad's Corporate Governance Report 2022 ("**CG Report**"). Details of the BNRC's view on the re-election/re-appointment of the respective Directors can be found under **Practice 5.7** of the CG Report.

Based on the above, the Board approved the BNRC's recommendation that Tan Sri Ong Leong Huat @ Wong Joo Hwa, Ms Ong Ai Lin, Dato' Mohamad Nasir Ab Latif and Mr Donald Joshua Jaganathan who retire in accordance with Clause 94 of the Company's Constitution are eligible to stand for re-election. These four (4) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

Section 54(2)(a) of the Financial Services Act 2013 ("**FSA**") provides that the appointment, election, re-appointment and re-election of a Chairman, Director or Chief Executive Officer of the Company is subject to the prior written approval of BNM. In this respect, the approval of Bank Negara Malaysia ("**BNM**") on the proposed re-election of Tan Sri Ong Leong Huat @ Wong Joo Hwa, Ms Ong Ai Lin, Dato' Mohamad Nasir Ab Latif and Mr Donald Joshua Jaganathan as Directors under Ordinary Resolutions 1, 2, 3 and 4 has been obtained.

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3. Ordinary Resolution 5 – Payment of Directors’ Fees and Board Committees’ Allowances

The Non-Executive Chairman and Non-Executive Directors are entitled to annual Directors’ fees and annual Board Committees’ allowances. The current Directors’ fees and Board Committees’ allowances are as set out below:

No.	Description	Non-Executive Chairman (RM)	Non-Executive Directors/ Members (RM)
1	Annual Directors’ Fees	300,000.00	200,000.00
Annual Board Committees’ Allowances			
2	Board Audit Committee	60,000.00	40,000.00
3	Board Nominating & Remuneration Committee	60,000.00	40,000.00
4	Board Risk Committee	60,000.00	40,000.00
5	Board Credit Committee	60,000.00	40,000.00
6	Board Sustainability Committee	60,000.00	40,000.00

4. Ordinary Resolution 6 – Payment of Directors’ Remuneration (excluding Directors’ Fees and Board Committees’ Allowances) to the Non-Executive Directors

The proposed Directors’ Remuneration (excluding Directors’ fees and Board Committees’ allowances) comprises the allowances and other emoluments payable to Non-Executive Directors. The current remuneration policy is as set out below:

No.	Description	Non-Executive Chairman (RM)	Non-Executive Directors/ Members (RM)
1	Monthly Fixed Allowance ^(a)	25,000.00	Not Applicable
2	Meeting Allowance (per meeting):		
	(a) Board of the Company	2,000.00	2,000.00
	(b) Board Committees ^(b)	2,000.00	2,000.00
3	Farewell Pot Scheme (for the entire tenure of directorship) ^(c)	3,000.00	3,000.00
4	Other Benefits: Club membership, Directors & Officers liability insurance coverage, driver, car and petrol allowance, electronic devices and peripherals for meeting purposes, Directors’ business-use credit card, banking benefits, air travel coverage, medical coverage, etc.		

Notes:

- (a) The monthly fixed allowance is given to the Chairman of the Company as a Special Allowance, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him.
- (b) The abovementioned Board Committees are Centralised Committees which are shared by the Company and its relevant subsidiaries of RHB Banking Group (“the Group”).
- (c) A farewell gift with the value of up to RM3,000.00 will be granted to a Non-Executive Director for the entire tenure of directorship upon his/her exit from the Group, either upon retirement or resignation.

The Group Managing Director/Group Chief Executive Officer does not receive any Director's remuneration.

In determining the estimated total amount of remuneration (excluding Directors' fees and Board Committees' allowances) for the Non-Executive Directors including the Non-Executive Chairman of the Board of the Company, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

Payment of the Non-Executive Directors' remuneration will be made by the Company on a monthly basis and/or as and when deemed appropriate, if the proposed Ordinary Resolutions 5 and 6 have been passed at the 57th AGM of the Company. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' remuneration on a monthly basis and/or as and when deemed appropriate, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

5. Ordinary Resolution 7 – Appointment of Auditors

The Board Audit Committee (“BAC”), at its meeting on 26 January 2023, conducted its annual assessment on the external auditors of the Company, Messrs PricewaterhouseCoopers PLT (“PricewaterhouseCoopers”) in accordance with BNM's Guidelines on External Auditors. The assessment covered a wide spectrum of matters such as performance, suitability, independence and objectivity of the external auditors, based on qualifying criteria for the appointment of auditors and terms of audit engagements.

Having satisfied itself with their performance and fulfilment of criteria as set out in BNM's Guidelines on External Auditors, the BAC recommended the re-appointment of PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2023. The Board, at its meeting on 31 January 2023, approved the recommendation for shareholders' approval to be sought at the 57th AGM of the Company on the re-appointment of PricewaterhouseCoopers as the external auditors of the Company for the financial year ending 31 December 2023, under Ordinary Resolution 7.

6. Ordinary Resolution 8 – Authority for Directors to Issue Shares

The proposed Ordinary Resolution 8 is to renew the general mandate to the Directors of the Company to issue ordinary shares of the Company from time to time pursuant to Sections 75 and 76 of the Companies Act 2016. The resolution, if passed, will give powers to the Directors of the Company to issue ordinary shares in the capital of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10%¹ of the total number of issued shares of the Company (excluding treasury shares) for the time being (“General Mandate”), without having to convene a general meeting. The General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issue of new shares and to avoid delay and cost in convening general meetings to approve such issue of shares. In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 14(e)(i) of the Company's Constitution, the shareholders to waive their statutory pre-emptive rights to be offered any new shares which rank equally to existing shares issued by the Company.

7. Ordinary Resolution 9 – Allotment and Issuance of DRP Shares

The proposed Ordinary Resolution 9 if passed, will give authority to the Directors to allot and issue new RHB Bank Shares pursuant to the DRP in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF THE 57TH AGM OF THE COMPANY

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A to the Notice of the 57th AGM of the Company.

¹ The allocation of 10% Includes the amount of up to 2% allotted under the share grant scheme of RHB Bank and its subsidiaries, approved by shareholders at the Extraordinary General Meeting on 27 April 2022.

Statement Accompanying Notice of the 57th AGM of the Company

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

ANNEXURE A

- (i) Further details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 57th AGM of the Company.

- (ii) A statement relating to general mandate for issue of security in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 8 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 27 April 2022.

Form of Proxy



Registration No. 196501000373 (6171-M)
(Incorporated in Malaysia under the then
Companies Ordinances, 1940 - 1946)

No. of Ordinary Shares Held	CDS Account No.

I/We _____ NRIC/Passport/Company No. _____
(Name in block letters)

of _____
(Full address)

being a member of RHB BANK BERHAD ("RHB Bank" or "Company") hereby appoint:

Name _____ NRIC No. (Mandatory) _____
(Name in block letters)

of _____
(Full address, Email & Tel. No.)

and/or*

Name _____ NRIC No. (Mandatory) _____
(Name in block letters)

of _____
(Full address, Email & Tel. No.)

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our* proxy to vote for me/us* and on my/our* behalf at the 57th Annual General Meeting ("AGM") of the Company to be held on a virtual basis at the broadcast venue at Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 10 May 2023 at 10.00 a.m. or at any adjournment thereof.

The proportion of my/our* holdings to be represented by my/our* proxies are as follows:

First Proxy (1)	Second Proxy (2)

My/Our proxy* is to vote as indicated below:

Resolutions		For	Against
Ordinary Resolution 1	To re-elect the following Directors pursuant to Clause 94 of the Company's Constitution: (i) Tan Sri Ong Leong Huat @ Wong Joo Hwa		
Ordinary Resolution 2	(ii) Ms Ong Ai Lin		
Ordinary Resolution 3	(iii) Dato' Mohamad Nasir Ab Latif		
Ordinary Resolution 4	(iv) Mr Donald Joshua Jaganathan		
Ordinary Resolution 5	To approve the payment of Directors' fees and Board Committees' allowances to the Non-Executive Directors for the period from the 57 th AGM to the 58 th AGM of the Company.		
Ordinary Resolution 6	To approve the payment of Directors' remuneration (excluding Directors' fees and Board Committees' allowances) of an amount up to RM2,400,000.00 to the Non-Executive Directors for the period from the 57 th AGM to the 58 th AGM of the Company.		
Ordinary Resolution 7	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the 58 th AGM of the Company, at a remuneration to be determined by the Directors.		
Ordinary Resolution 8	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	To approve the allotment and issuance of new ordinary shares in the Company pursuant to the Dividend Reinvestment Plan.		

(Please indicate with an "X" in the spaces provided above as to how you wish to cast your vote. If no specific directions as to voting are given, the proxy shall vote or abstain from voting at his/her full discretion.)

Dated _____, 2023

Signature

(If shareholder is a corporation, this part
should be executed under its seal)

* Delete if not applicable

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 May 2023 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 57th AGM using the remote participation and electronic voting facilities.
2. A member of the Company entitled to participate and vote remotely at the forthcoming 57th AGM is entitled to appoint one or more proxies to participate and vote remotely in his/her place. A proxy may but need not be a member of the Company.
3. The Form of Proxy must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
5. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
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PLEASE FOLD HERE

POSTAGE
STAMP

The Share Registrar of **RHB BANK BERHAD**
BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya Selangor
Malaysia

PLEASE FOLD HERE

RHB Bank Berhad 196501000373 (6171-M)
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