

RHB BANK BERHAD

Analysts Presentation

Q1 2024 Financial Results

Mohd Rashid Mohamad
Group Managing Director/Group Chief Executive Officer
RHB Banking Group
29 May 2024



Agenda

1. Executive Summary
2. Q1 2024 Financial Results
3. Summary



Executive Summary

Net Profit
RM730.2 million

Loans ann. growth: 4.5%
CASA ratio: 29.0%

Group: CET1 16.5%
TCR 19.2%

P&L
 (Y-o-Y growth)

- Total income increased 9.5% to RM2.1 billion from higher net fund based and non-fund based income
- Net fund based income increased 0.9% to RM1.4 billion; non-fund based income increased 31.6% to RM0.7 billion
- Opex increased 12.0% to RM1.0 billion mainly from higher personnel, IT and marketing costs
 CIR at 45.9% vs 47.5% in FY2023
- ECL increased to RM215.0 million. Credit cost at 25 bps vs 16 bps in FY2023
- Net profit at RM730.2 million with ROE of 9.2%

Assets & Liabilities
 (YTD growth)

- Loans grew 1.1% (annualised: 4.5%) to RM224.9 billion attributed mainly to growth in Group Community Banking and Singapore. Securities portfolio grew 2.7%
- Deposits was RM242.9 billion. CASA grew 2.9% mainly due to growth contributed by Group Community Banking and Group Wholesale Banking, improving to 29.0% vs 27.9% in FY2023
- GIL at 1.83%
- LLC at 70.1%; LLC with Regulatory Reserves improved slightly to 106.3% vs 106.2% in FY2023

Capital

- Group CET1 ratio at 16.5% and TCR at 19.2%



+1.4% Retail Loans
YTD March 2024

+2.1% Mortgage Loans
YTD March 2024

+3.4% Auto Financing
YTD March 2024

+2.6% Reflex Customers
YTD March 2024 (170k)

+7.9% Merchants
YTD March 2024 (82k)

Achieved strong digital channel penetration

- 86% of transactions via digital channels
- Online mortgage origination of 46%, via MyHome app

Enhanced customers' digital experience

- Launched Apple Pay for customers with RHB Visa Debit and Credit Cards, including our Multi Currency Visa Debit Card that enables our customers to transact up to 33 currencies

Accelerated automation & system modernisation

- 47% of key processes have been automated
- 72% of our systems are modernised

More than RM26.4 bil Sustainable Financial Services

Accelerating our ESG agenda (53% of RM50 bil target by 2026)

44.3% Islamic share of domestic financing (FY2023: 44.3%)

+4.8% SG Loans
YTD March 2024

Q1 2024 Achievements

9.2%

Return on Equity (ROE)
FY2023: 9.5% | TWP24: 11.5%

45.9%

Cost-to-Income Ratio (CIR)
FY2023: 47.5% | TWP24: ≤ 44.5%

Top 2*

Net Promoter Score (NPS)
FY2023: Top-2 | TWP24: Top-3

*Note: based on results for 2023

RHB-BOOST DIGITAL BANK LAUNCH

- Boost Bank is **very close** to be launched to the Malaysian public
- Boost Bank conducted an **extensive ‘alpha’ testing phase** – with employees of Boost, Axiata, and RHB, since January 2024

BANCASSURANCE PARTNERSHIP RENEWAL

- Evaluation process is ongoing – with target to **finalise by end-2024**
- Recap – RHB’s current banca partnerships for conventional life insurance and family & general takaful is **ending Dec 2024 and Jul 2025**, respectively

EDUCATION PARTNERSHIP EXPANSION

- RHB MySiswa Card for public university students was **officially launched in March 2024**, benefiting more than 550,000 public university students
- RHB is also in discussion with Ministry of Higher Education (MoHE) to examine **feasibility to extend MySiswa to other public education institutions**

SUSTAINABILITY STRATEGY REFINEMENT

- RHB has publicly committed to **achieve Net Zero by 2050**, which will be driven by reducing financed emissions for 5 High-Impact sectors
- RHB also recently held our inaugural **RHB Green Week**, an annual event to showcase ESG initiatives by RHB and our partners



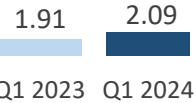
Q1 2024 Financial Results

Q1'24 total income improved on the back of improving NIM and expansion of fee income amidst growth in loans and securities portfolio

Financial Results

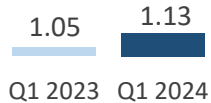
Total Income

▲ +9.5%



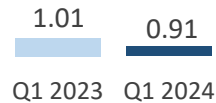
Operating Profit Before Allowances

▲ +7.4%



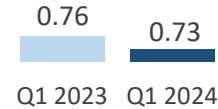
Profit Before Tax

▼ -9.5%



Net Profit

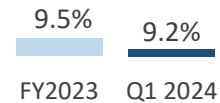
▼ -4.1%



Profitability Ratios

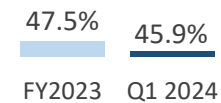
Return on Equity

▼ -0.3%



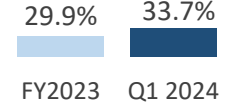
Cost-to-Income Ratio

▼ -1.6%



Non-Fund Based/ Total Income

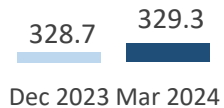
▲ +3.8%



Financial Position

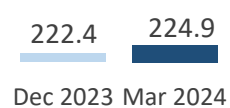
Total Assets

▲ +0.2%



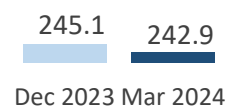
Gross Loans

▲ +1.1%



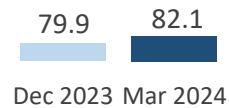
Customer Deposits

▼ -0.9%



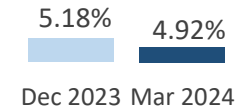
Securities Portfolio

▲ +2.7%



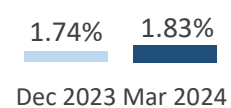
Stage 2 Loans Ratio

▼ -0.26%



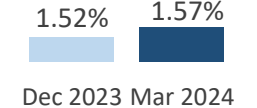
Group GIL Ratio

▲ +0.09%



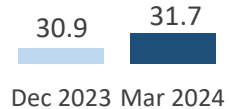
Domestic GIL Ratio

▲ +0.05%



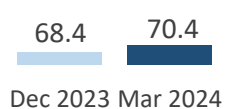
Shareholders' Equity

▲ +2.7%



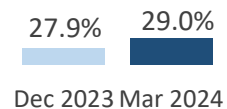
CASA

▲ +2.9%



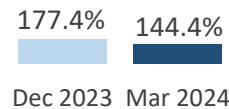
CASA Ratio

▲ +1.1%



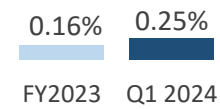
Liquidity Coverage Ratio

▼ -33.0%



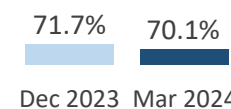
Credit Charge Ratio

▲ +0.09%



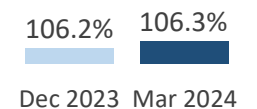
LLC Ratio
excl. Regulatory Reserve

▼ -1.6%



LLC Ratio
incl. Regulatory Reserve

▲ +0.1%

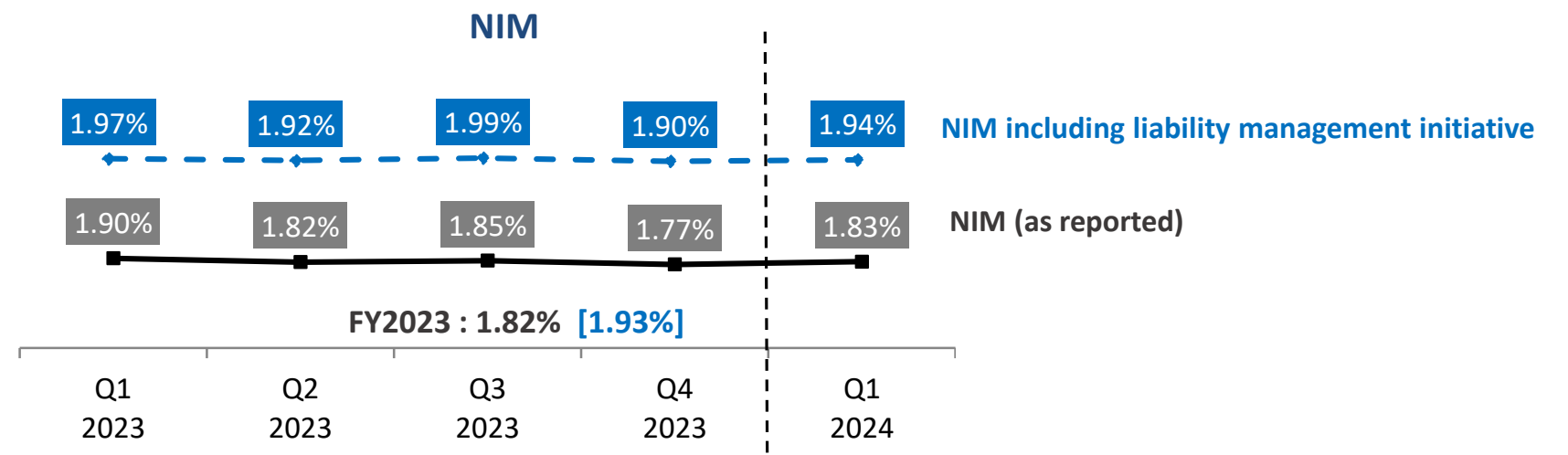
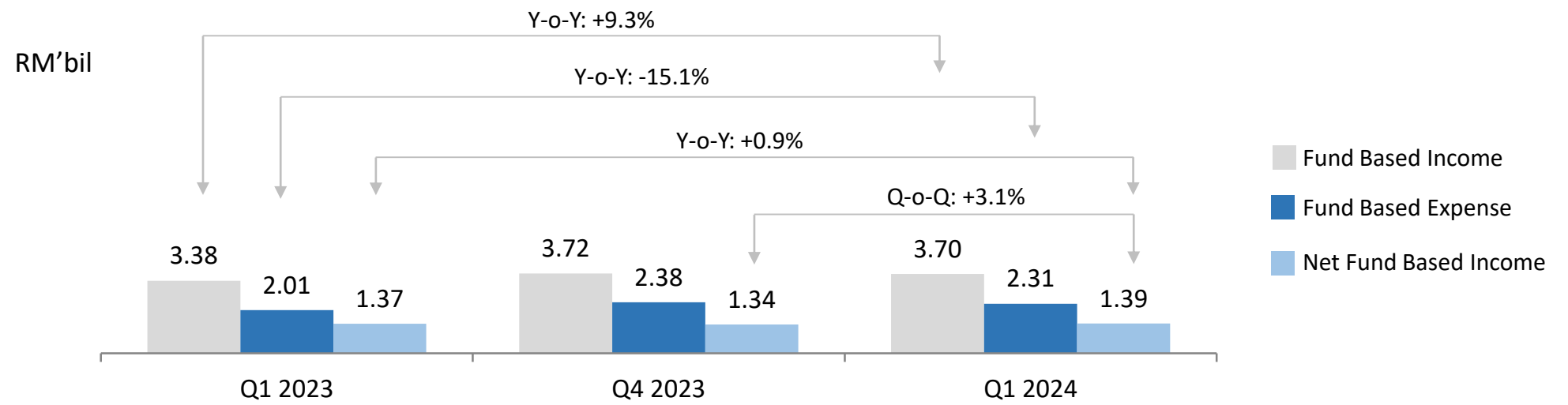


* Amounts in RM bil

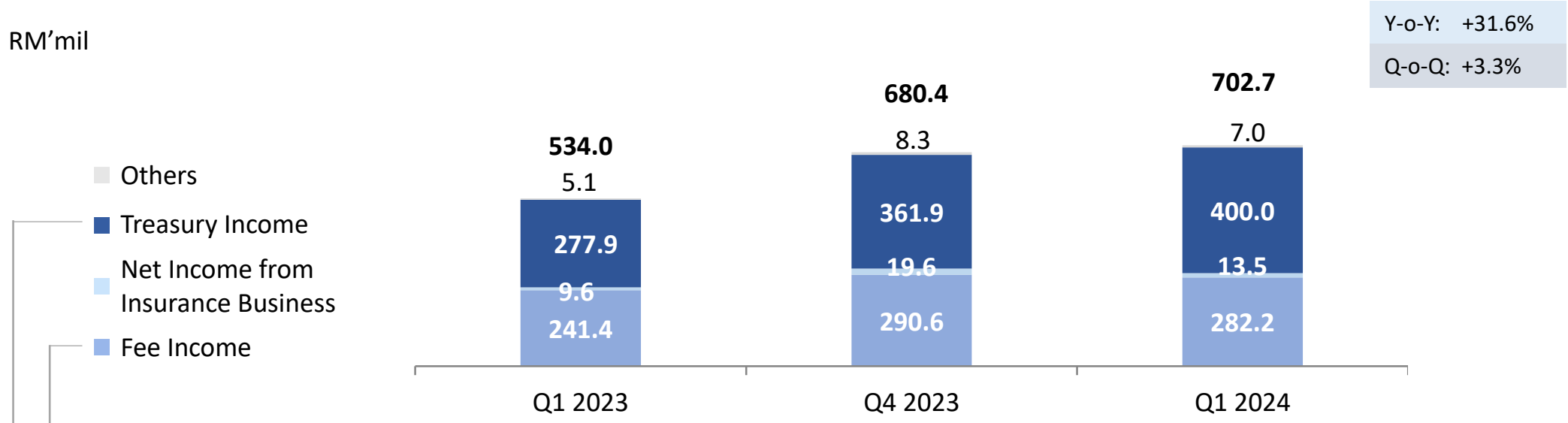
Profit supported by improved NIM & expansion of fee income; neutralised with higher opex and ECL

RM' mil	Q1 2023	Q4 2023	Q1 2024	Q-o-Q	Y-o-Y
Net Fund Based Income	1,373.7	1,343.6	1,385.5	3.1%	0.9%
Non-Fund Based Income	534.0	680.4	702.7	3.3%	31.6%
Total Income	1,907.7	2,024.0	2,088.2	3.2%	9.5%
Operating Expenses	-856.5	-980.9	-959.2	2.2%	-12.0%
Operating Profit Before Allowances	1,051.2	1,043.1	1,129.1	8.2%	7.4%
Allowance for Credit Losses on Financial Assets	-46.0	-230.1	-215.0	6.6%	->100%
Share of results of associates	-	-7.3	-3.9	46.2%	-
Profit Before Taxation	1,005.2	805.8	910.2	13.0%	-9.5%
Net Profit	761.7	585.9	730.2	24.6%	-4.1%
Earnings Per Share (sen)	17.9	13.7	17.0	24.6%	-5.0%
Cost-to-Income Ratio	44.9%	48.5%	45.9%	2.6%	-1.0%
ROE	10.3%	-	9.2%	-	-1.1%

NIM strengthened 6 bps Q-o-Q to 1.83% from easing of funding costs pressure with continued opportunities for liability management initiative



Non-fund based income growth driven by higher fee income and net trading and investment income

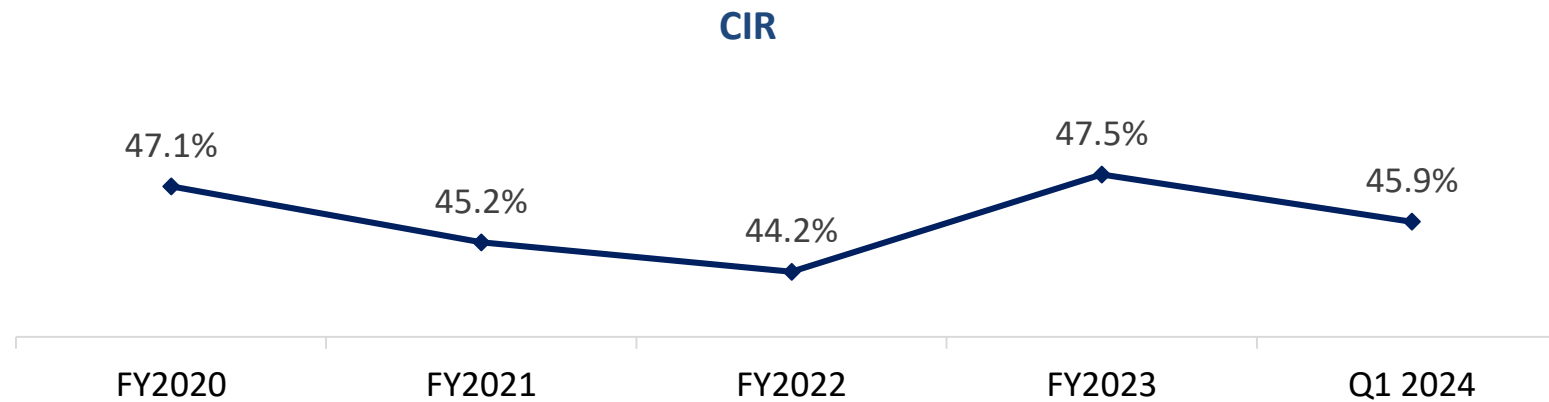


	RM' mil	Q1 2023	Q4 2023	Q1 2024	Q-o-Q	Y-o-Y
Fee Income	IB Related	15.2	30.5	18.2	-40.3%	19.4%
	Brokerage Income	43.9	39.5	52.1	31.8%	18.8%
	Asset Management	36.4	35.6	37.3	4.6%	2.5%
	Commercial Banking	146.0	184.9	174.7	-5.5%	19.7%
Treasury Income	Net Forex Gain / Derivatives	175.7	260.7	264.2	1.3%	50.4%
	<i>of which: Liability Management Initiatives</i>	50.0	96.8	81.9	-15.4%	63.8%
	Gain & MTM on Securities	102.2	101.3	135.8	34.1%	32.9%



CIR improved Q-o-Q to 45.9% in Q1'24; opex grew 12.0% Y-o-Y mainly from higher personnel, IT and marketing costs

RM' mil	Q1 2023	Q4 2023	Q1 2024	Q-o-Q	Y-o-Y
Personnel Expenses	505.6	566.8	577.3	1.8%	14.2%
Establishment Expenses	214.4	237.4	236.8	-0.3%	10.5%
of which: IT Expenses	74.2	83.8	83.7	-0.1%	12.9%
Marketing Expenses	49.9	71.9	63.7	-11.4%	27.6%
Administration & General Expenses	86.6	104.7	81.4	-22.3%	-6.0%
Total	856.5	980.9	959.2	-2.2%	12.0%
CIR (%)	44.9	48.5	45.9		

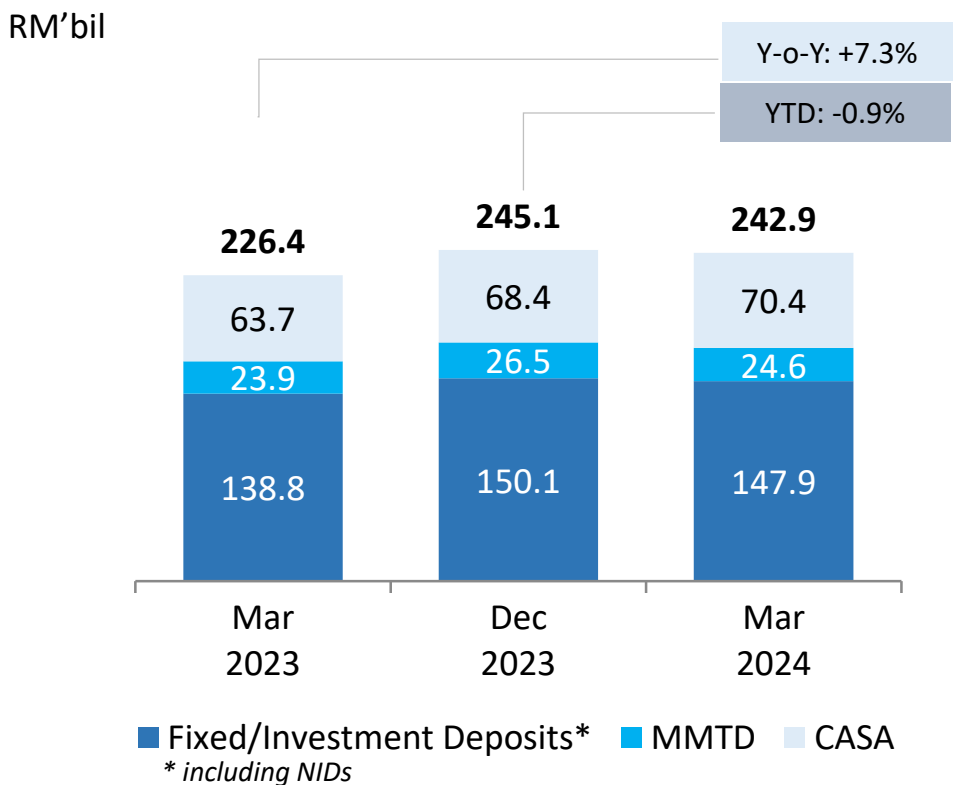


YTD loans growth led mainly by Singapore and Group Community Banking (especially mortgage and auto finance)

RM'bil	Mar 2023	Dec 2023	Mar 2024	YTD	Y-o-Y
GROUP COMMUNITY BANKING	134.5	140.9	142.6	1.2%	6.0%
Retail	107.8	113.3	114.9	1.4%	6.5%
Mortgage	76.6	81.5	83.2	2.1%	8.6%
Commercial Property Financing	4.2	4.0	4.0	-2.0%	-6.1%
ASB Financing	6.8	6.1	5.7	-7.0%	-16.0%
Auto Financing	10.2	10.8	11.1	3.4%	9.4%
Unsecured Business	9.6	10.4	10.4	0.1%	8.4%
Others	0.5	0.5	0.5	-0.8%	-2.3%
SME	26.6	27.6	27.7	0.3%	4.1%
GROUP WHOLESALE BANKING	49.7	48.7	48.2	-1.1%	-3.1%
Corporate	42.3	40.8	40.1	-1.7%	-5.2%
Commercial	7.4	7.9	8.0	2.2%	9.0%
TOTAL RHB DOMESTIC	184.2	189.6	190.7	0.6%	3.6%
OVERSEAS OPERATIONS	29.2	32.8	34.2	4.3%	17.1%
Singapore	23.3	27.1	28.4	4.8%	21.9%
Cambodia	3.5	3.5	3.6	1.7%	2.9%
Others	2.4	2.1	2.2	1.9%	-8.7%
TOTAL RHB GROUP	213.4	222.4	224.9	1.1%	5.4%

CASA composition improved to 29.0% with focus on improvement in cost of funds; YTD deposits declined marginally from lower FD and MMTD, but benefitted from higher CASA

Customer Deposits



LDR	94.2%	90.8%	92.6%
LCR	147.3%	177.4%	144.4%

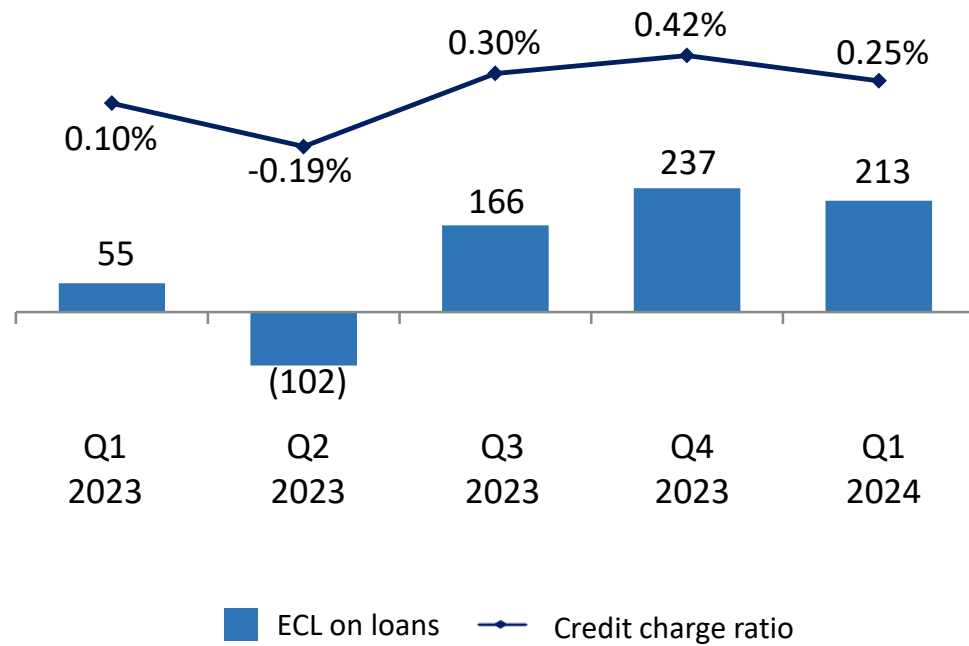
CASA by Segment

RM'bil	Mar 2023	Dec 2023	Mar 2024	YTD	Y-o-Y
GROUP COMMUNITY BANKING	39.1	40.0	40.9	2.3%	4.6%
Retail	21.7	21.0	22.1	5.4%	1.7%
SME	17.4	19.1	18.9	-1.0%	8.3%
GROUP WHOLESALE BANKING	14.4	20.2	21.3	5.4%	48.2%
Corporate	13.0	18.5	19.6	6.3%	50.5%
Commercial	1.3	1.7	1.7	-4.1%	26.0%
TOTAL RHB DOMESTIC	53.5	60.2	62.2	3.4%	16.3%
OVERSEAS OPERATIONS	10.2	8.2	8.2	-0.5%	-20.0%
TOTAL RHB GROUP	63.7	68.4	70.4	2.9%	10.5%
CASA Ratio	28.1%	27.9%	29.0%		



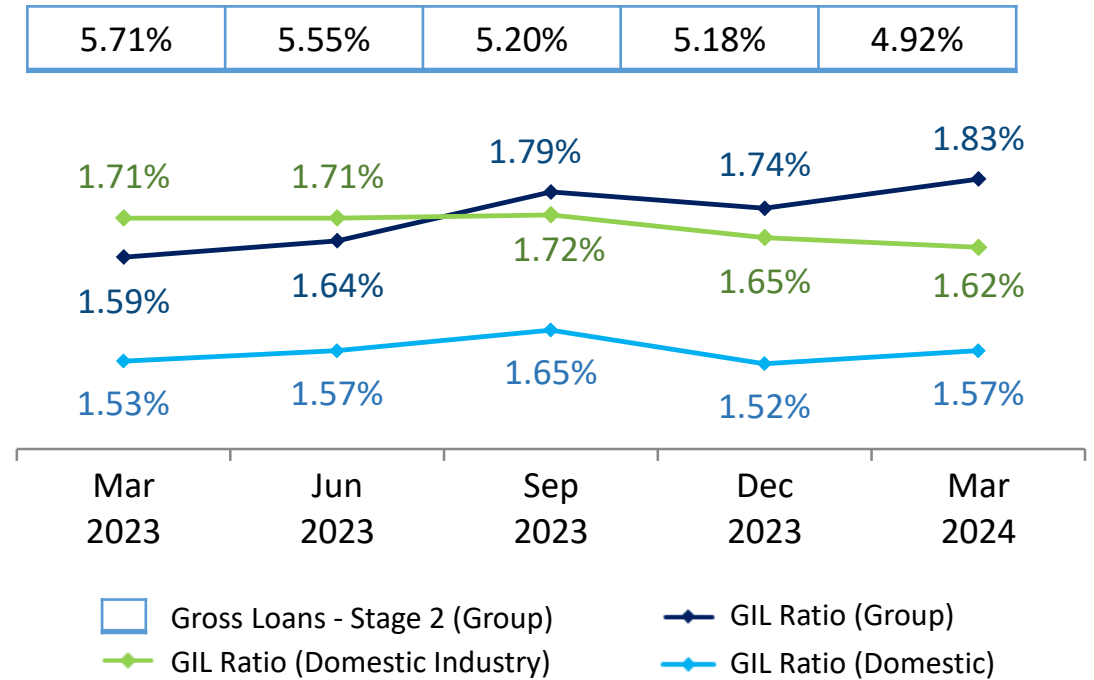
Allowances for Losses on Loans

RM'mil



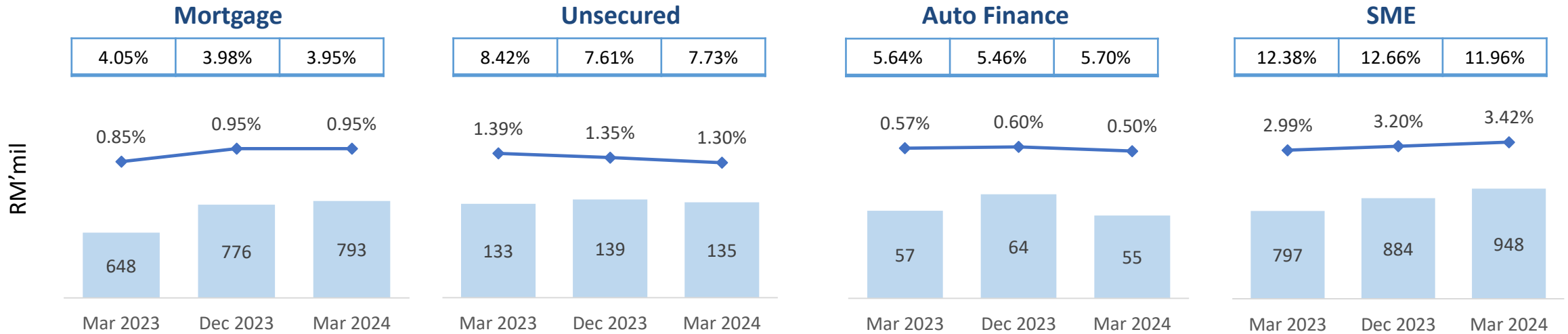
ECL (B/S)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Stage 1	23%	24%	23%	25%	25%
Stage 2	28%	30%	28%	25%	24%
Stage 3	49%	46%	48%	50%	51%

Gross Impaired Loans

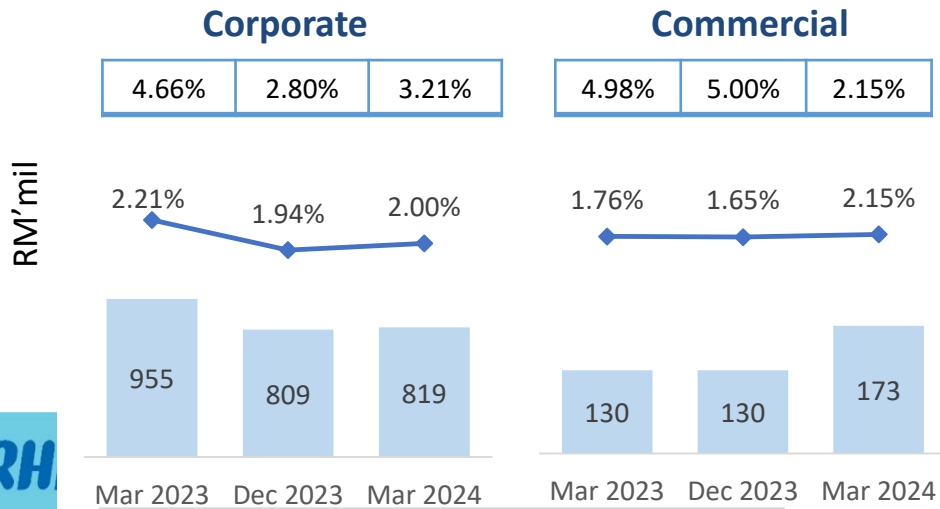


Loan Loss Coverage (LLC)	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024
Incl. Reg. Reserves	127.2%	108.5%	104.6%	106.2%	106.3%
Excl. Reg. Reserves	109.4%	82.5%	75.0%	71.7%	70.1%

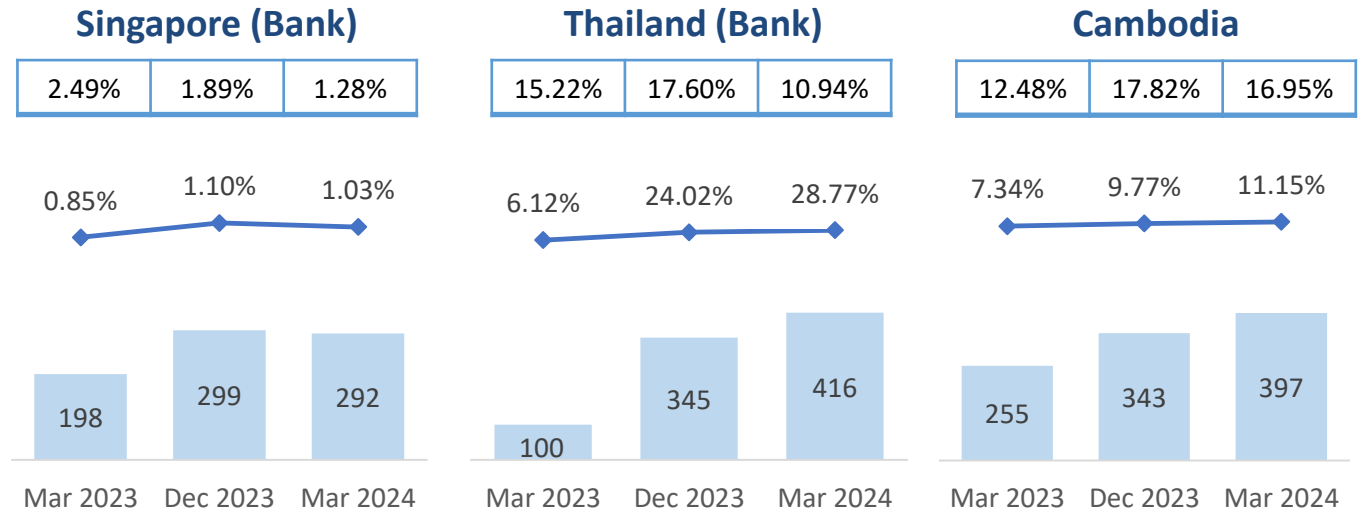
Group Community Banking



Group Wholesale Banking



Group International Business

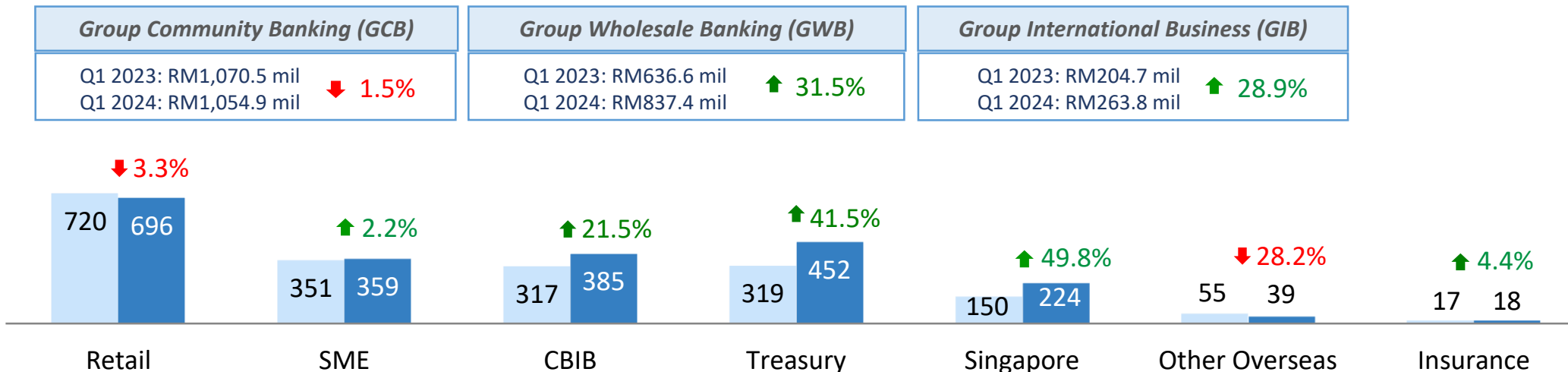


Stage 2 Loans
 GIL (RM'mil)
 GIL Ratio

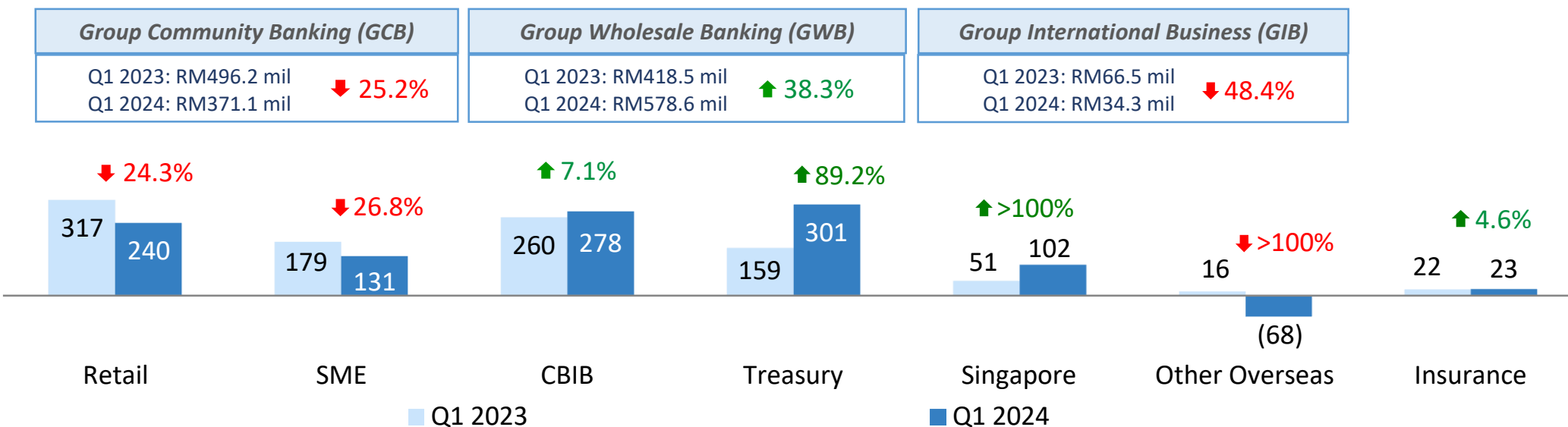


Mixed bags of profitability movement; **GWB** – pronounced fee income to drive revenue and PBT; **GCB** – improved funding costs but trailing on higher opex and ECL; **GIB** – Singapore continued to contribute growth but ECL in other countries impacted overall PBT

Revenue

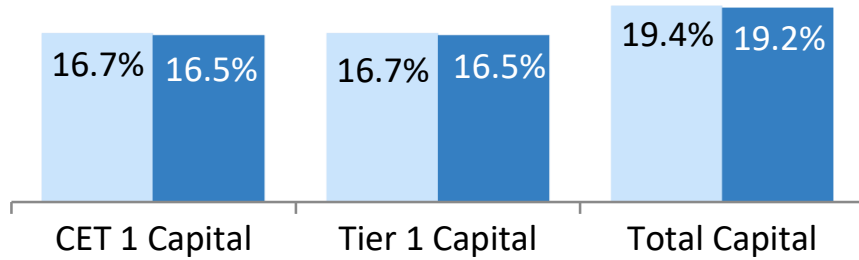


Pre-tax Profit

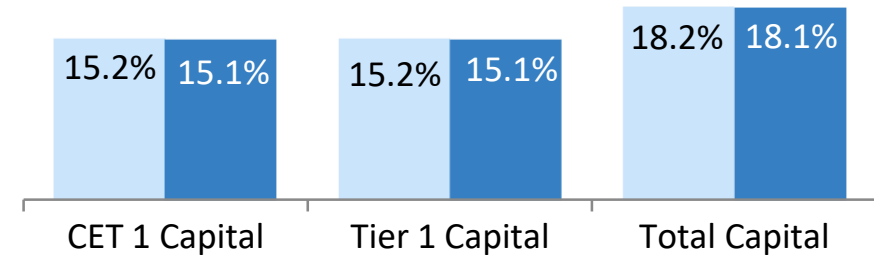


*Figures in RM' million

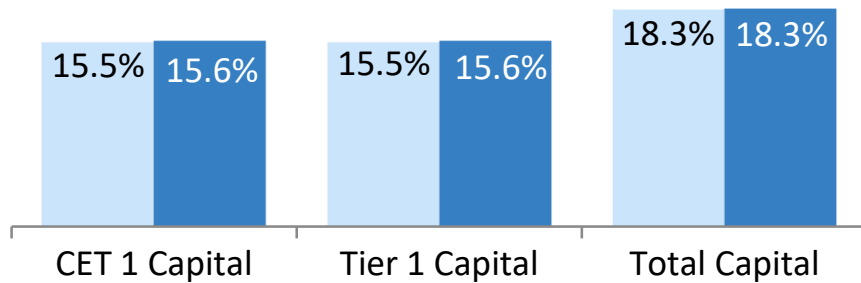
RHB Bank Group



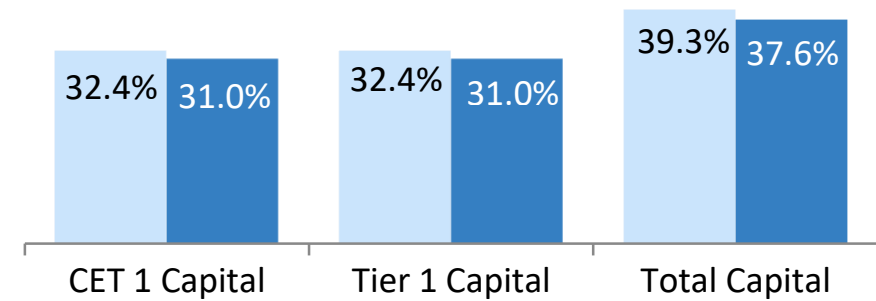
RHB Bank



RHB Islamic Bank



RHB Investment Bank



■ Dec 2023

■ Mar 2024

3

Summary

- Q1 2024 posts improvement in revenue growth, but continue to face headwinds on asset quality pressure
- The Group will continue to emphasize on our FY2024 focus areas:
 - i. optimising cost of funds through liability management initiatives and realisation of CASA balances through various initiatives in Education and Tourism sectors, such as MoHE and Multi Currency Accounts
 - ii. managing asset quality through containment of GIL and focus on recoveries
 - iii. maintaining strong discipline in optimising operating expense
- As macroeconomic headwinds continue to persist, we remain cautiously optimistic on the outlook for FY2024

THANK YOU

www.rhbgroup.com

INVESTOR RELATIONS CONTACT

Email : investor.relations@rhbgroup.com



This material is prepared for general circulation. Any recommendation or view contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific audience. The content furthermore is believed to be correct at the time of the issue of this document, and is not and should not be construed as an offer or a solicitation of any offer to buy or sell any securities. Nor does this document purport to contain all the information a prospective investor may require. Presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

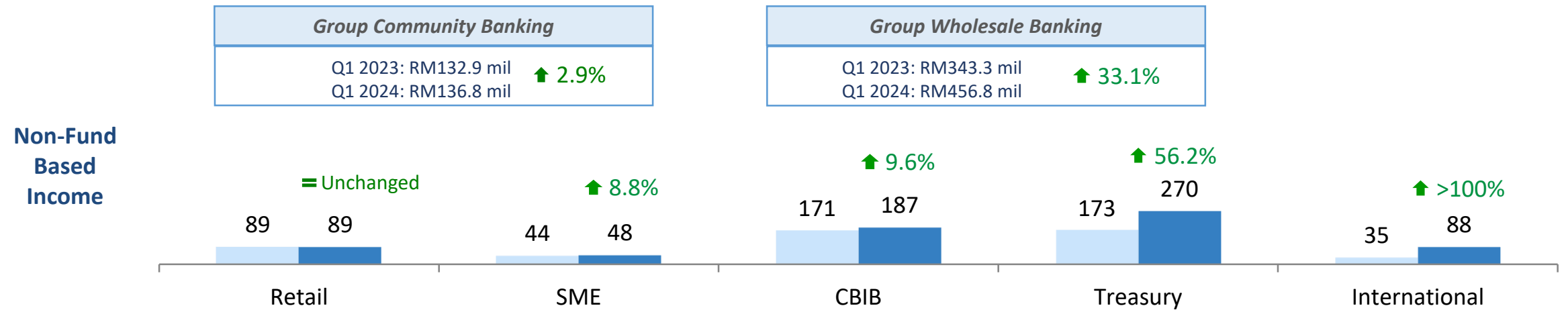
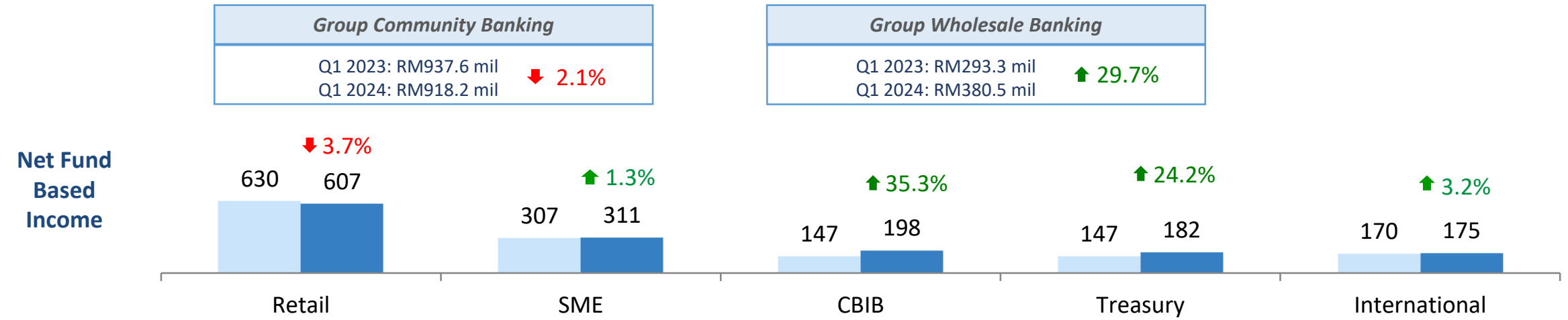


4

Appendix

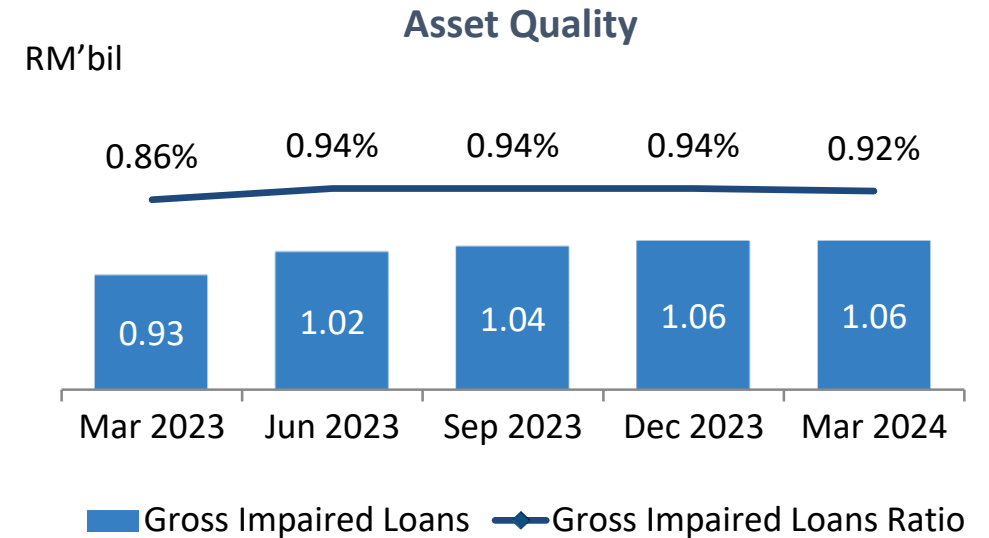
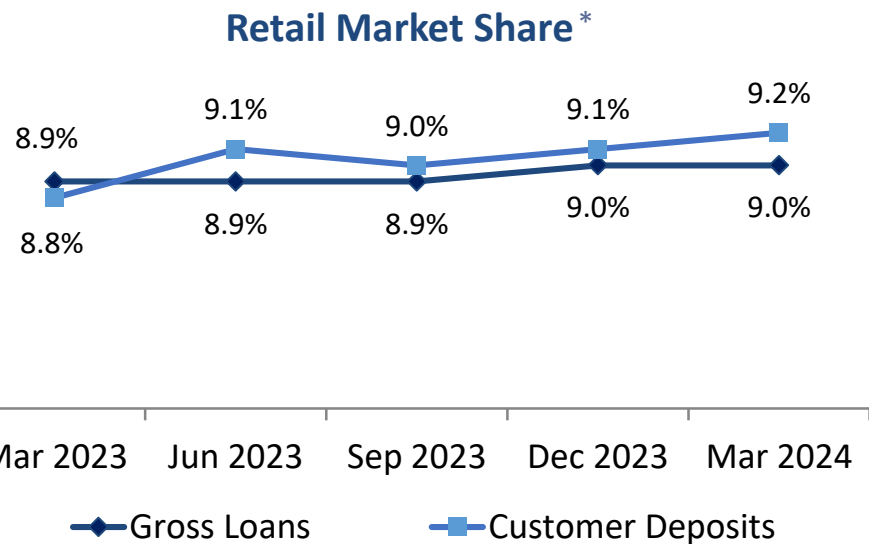
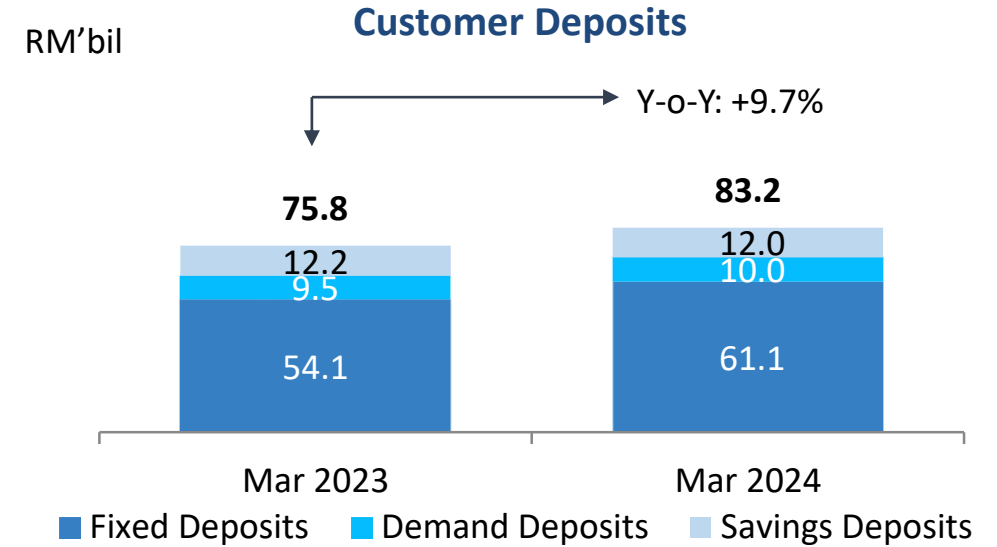
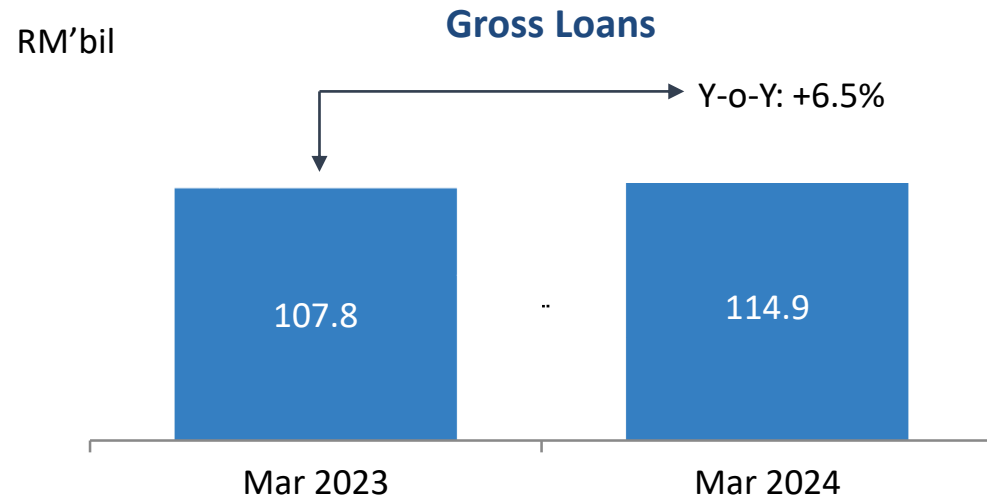
Financial Data RM'mil	FY2020	FY2021	FY2022	FY2023	Q1 2024
Income Statement					
Total Income	7,186	7,789	8,160	7,770	2,088
Operating Profit Before Allowances	3,799	4,266	4,554	4,081	1,129
Profit Before Tax	2,644	3,529	4,133	3,753	910
Net Profit	2,033	2,618	2,678	2,806	730
Balance Sheet					
Total Assets	271,150	289,541	310,752	328,692	329,257
Gross Loans	186,114	198,512	212,200	222,416	224,919
Customer Deposits	203,471	218,733	227,160	245,083	242,935
Shareholders' Equity	27,024	27,998	28,732	30,875	31,711
Per Share					
Earnings (sen)	50.7	64.7	64.0	65.7	17.0
Net Assets (RM)	6.74	6.76	6.76	7.20	7.40
Dividend (sen)	17.65	40.00	40.00	40.00	-

Financial Ratios	FY2020	FY2021	FY2022	FY2023	Q1 2024
Profitability					
Return on Equity	7.7%	9.6%	9.6%	9.5%	9.2%
Net Interest Margin	2.13%	2.20%	2.24%	1.82%	1.83%
Cost to Income Ratio	47.1%	45.2%	44.2%	47.5%	45.9%
Asset Quality					
Gross Impaired Loan Ratio	1.71%	1.49%	1.55%	1.74%	1.83%
Credit Cost	0.58%	0.29%	0.15%	0.16%	0.25%
Loan Loss Coverage Ratio (excl. Reg. Reserves)	119.7%	122.4%	112.8%	71.7%	70.1%
Loan Loss Coverage Ratio (incl. Reg. Reserves)	119.7%	124.2%	130.3%	106.2%	106.3%
Liquidity					
Loan to Deposit Ratio	91.5%	90.8%	93.4%	90.8%	92.6%
CASA Ratio	30.9%	30.0%	29.2%	27.9%	29.0%
Liquidity Coverage Ratio	146.9%	155.7%	162.1%	177.4%	144.4%
Capital Adequacy					
Common Equity Tier I Capital Ratio	16.2%	17.2%	16.9%	16.7%	16.5%
Tier I Capital Ratio	16.2%	17.2%	16.9%	16.7%	16.5%
Total Capital Ratio	18.4%	19.8%	19.3%	19.4%	19.2%

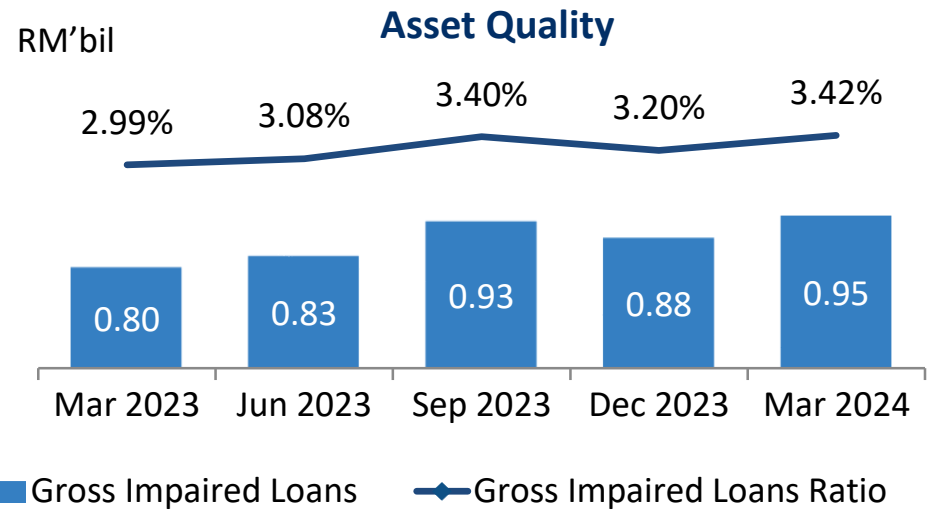
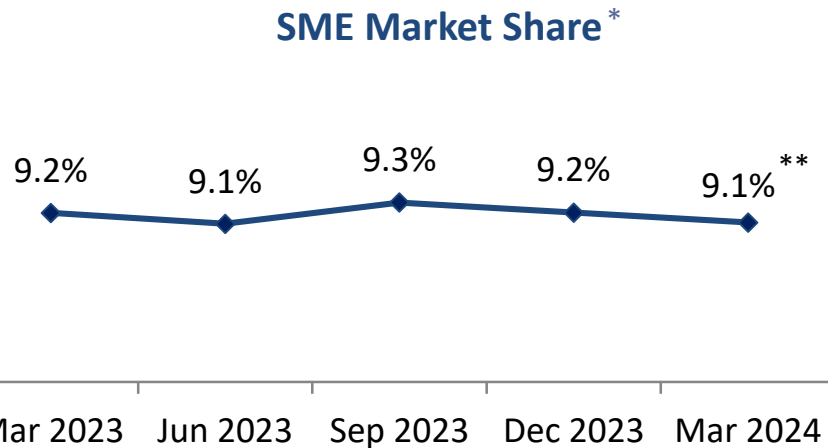
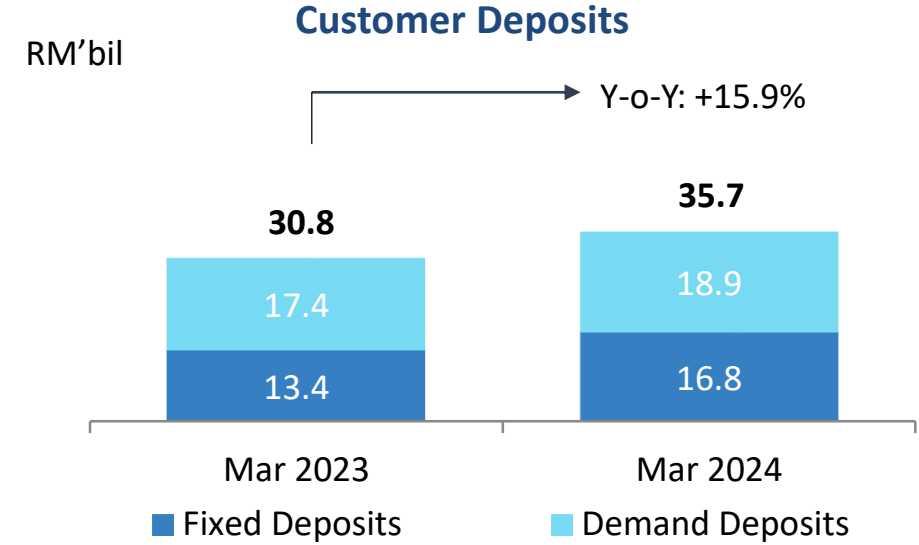
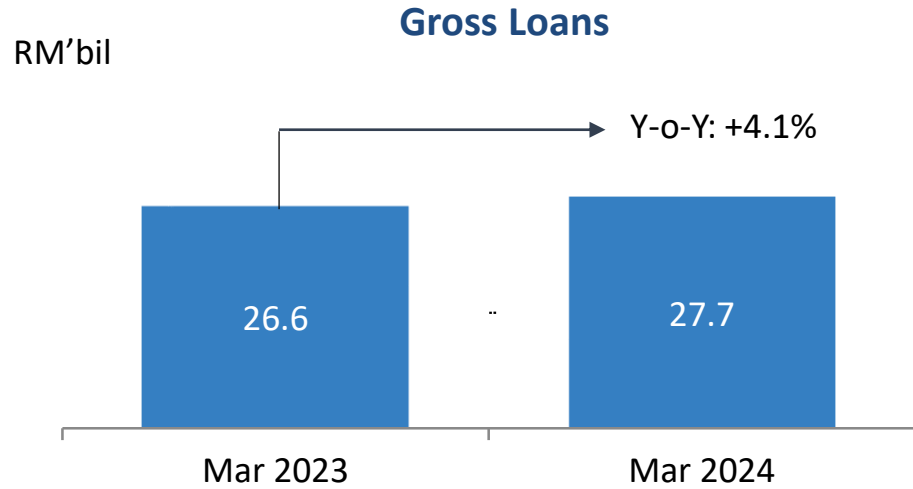


■ Q1 2023 ■ Q1 2024

*Figures in RM' million



* % of Retail Loans / Deposits to total for industry (Household sector) as reported in BNM Statistics

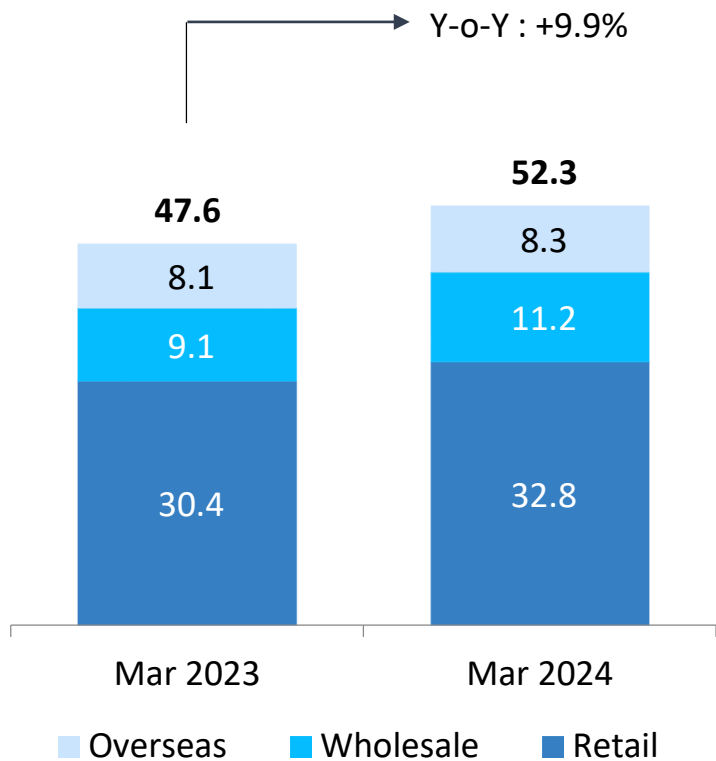


* % of SME loans to total for industry (excluding DFIs) as reported in BNM Statistics
 ** Mar 2024 market share is based on Feb 2024 Industry Data



RM'bil

Asset Under Management



Market Share	Mar 2023	Mar 2024
	9.2%	9.2%



YTD Mar 2024	Market Share	Ranking
Equities Broking:		
- By value	8.1%	4 th
- By volume	8.1%	4 th
Debt Capital Markets:		
- MYR sukuk	11.3%	3 rd
- Total MYR bonds (Conventional & Islamic bonds)	13.1%	3 rd
Equity Capital Markets	9.8%	3 rd
Mergers & Acquisition:		
- By value	77.0%	1 st
- By deal count	3	1 st

CF/ECM



Eupe Corporation Berhad
 RM11.3 mil Primary Placement
Sole Placement Agent



Prolintas Infra Business Trust
 RM445.3 mil IPO
Joint Underwriter



Malayan Banking Berhad
 RM453.0 mil Secondary Placement
Sole Placement Agent



DCM



Pengurusan Air SPV Berhad
 Issuance of RM1.1 bil Sukuk Murabahah under its
 RM20.0 bil Sukuk Ijarah Programme
Joint Book Runner



Projek Lebuhraya Usahasama Berhad
 Issuance of RM750.0 mil Sukuk Musharakah under
 its RM25.2 bil IMTN Programme
*Joint Principal Adviser, Joint Lead Arranger &
 Joint Lead Manager*



UEM Sunrise Berhad
 Issuance of RM500.0 mil IMTNs under its
 RM4.0 bil IMTN Programme which together with an
 Islamic Commercial Papers shall have a combined
 aggregate limit of up to RM4.0 bil
Lead Manager

M&A



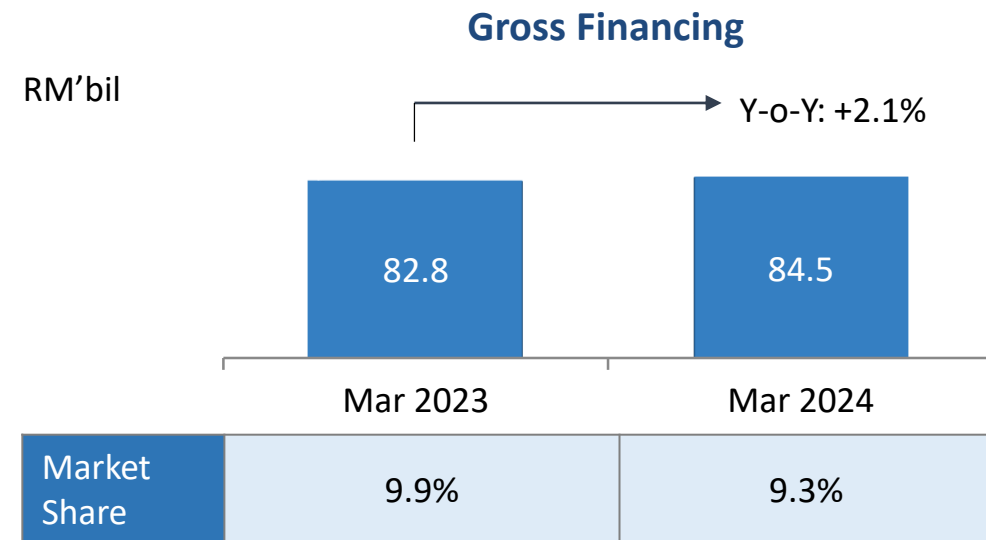
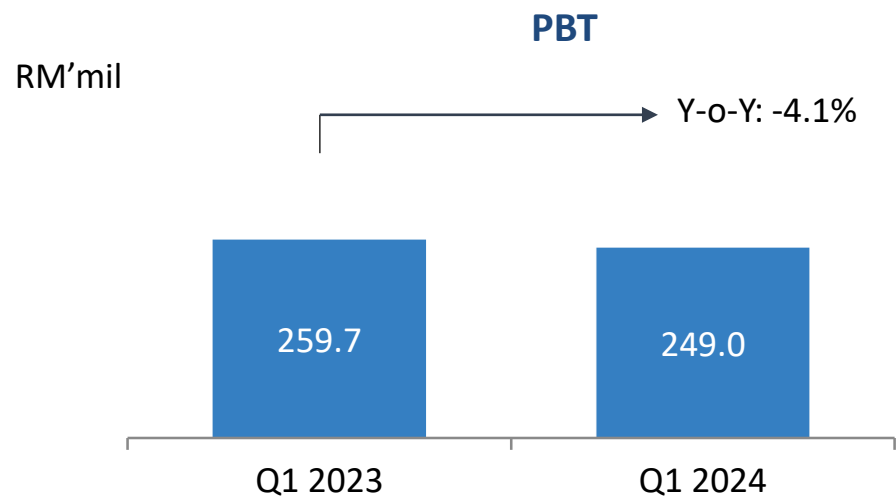
Kumpulan Perangsang Selangor Berhad
 USD57,463.6 mil
 Divestment by Bold Approach Sdn Bhd, a wholly-owned
 subsidiary of Kumpulan Perangsang Selangor Berhad, of its
 50% equity interest in KaiserCorp Corporation Sdn Bhd
Principal Adviser
 (completed)



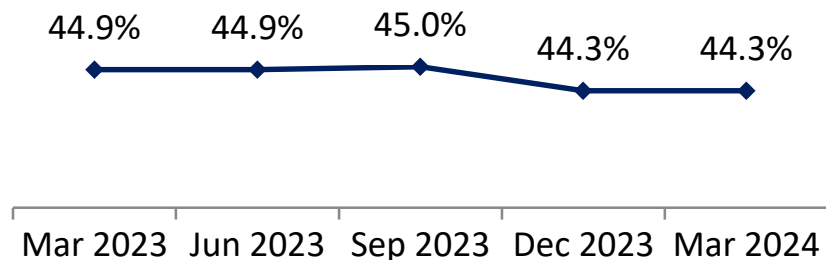
Kuala Lumpur Kepong Berhad (“KLK”)
 RM137.6 mil
 Unconditional Voluntary Take-over and Compulsory Acquisition by
 KLK to acquire all remaining ordinary shares in KLK Sawit
 Nusantara Berhad (formerly IJM Plantations Berhad)
Principal Adviser
 (completed)



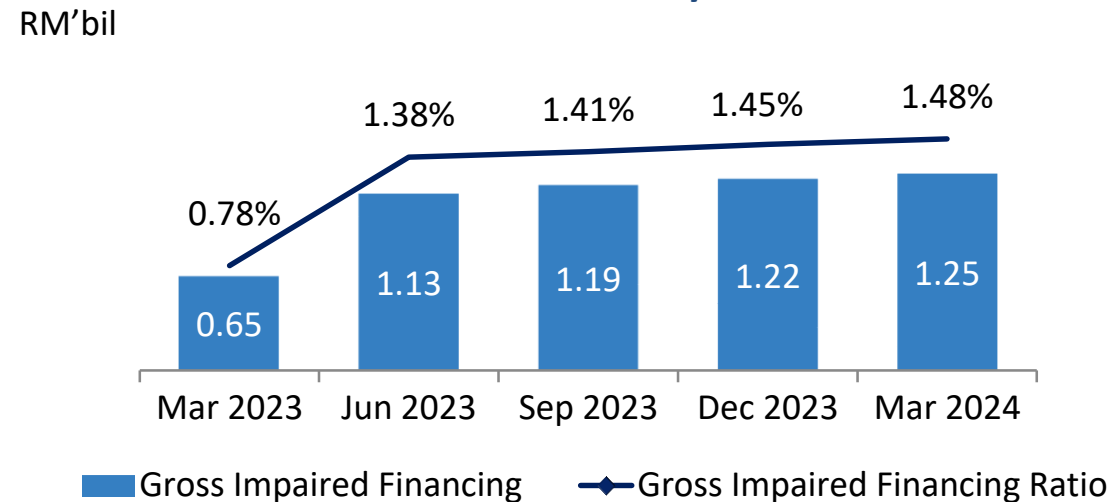
Sunsuria Berhad
 RM71.4 mil
 Acquisition of 33% equity interest in Bangsar Hill Park
 Development Sdn Bhd from Suez Capital Sdn Bhd
 and Dasar Temasek Sdn Bhd
Principal Adviser
 (ongoing)

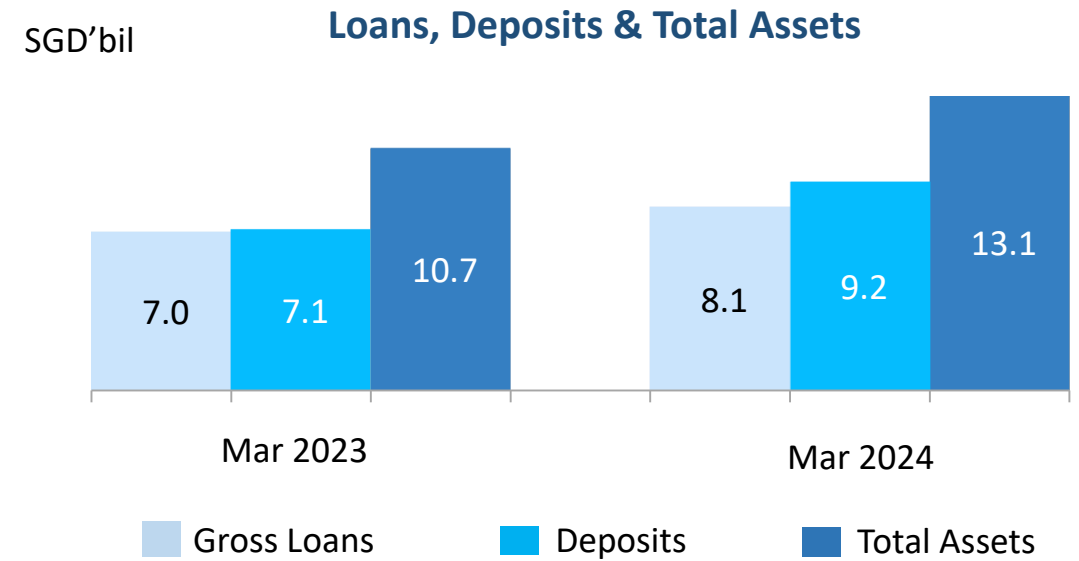
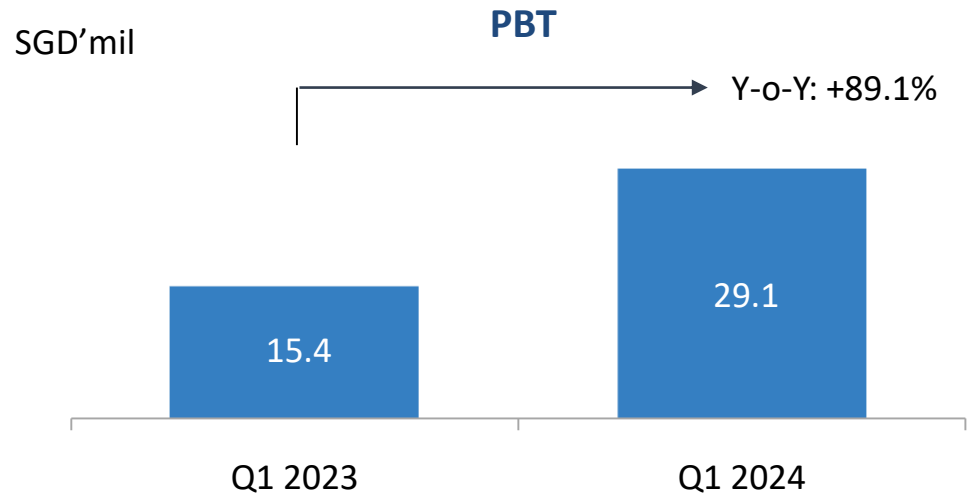


Gross Financing/ Total Gross Financing (Domestic)

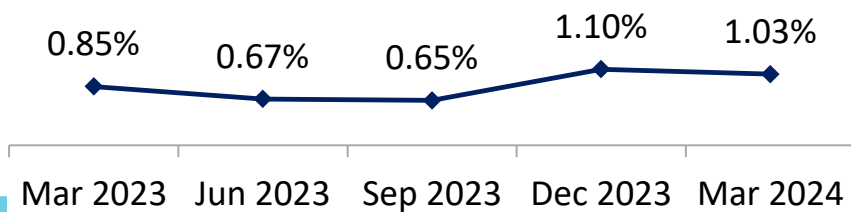


Asset Quality

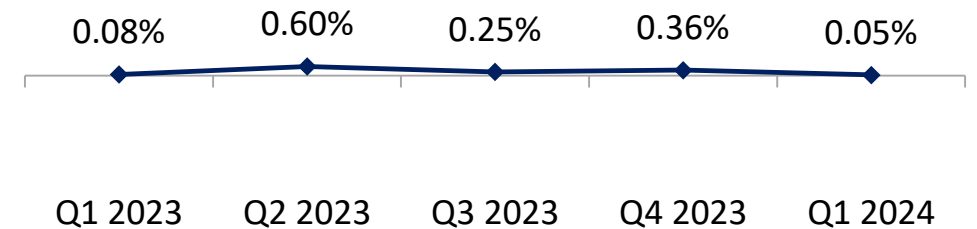




Gross Impaired Loans Ratio



Credit Charge Ratio



RM'bil	Mar 2023	Dec 2023	Mar 2024	YTD	Y-o-Y
Overseas Operations	29.2	32.8	34.2	4.3%	17.1%
Singapore	23.3	27.1	28.4	4.8%	21.9%
Cambodia	3.5	3.5	3.6	1.7%	2.9%
Others*	2.4	2.1	2.2	1.9%	-8.7%
of which:					
Thailand	2.0	1.7	1.7	0.4%	-14.4%
Brunei	0.2	0.2	0.2	-2.8%	10.5%
Indonesia	0.1	0.1	0.2	25.4%	27.2%
Laos	0.1	0.1	0.1	-	21.8%

* Others = not included above is Vietnam, with outstanding loans of < RM0.1 billion