

## ANNOUNCEMENT: RHB ILLEGAL FINANCIAL SCHEME (IFS) AWARENESS 2024

IFS refers to any financial scheme offered by companies or individuals who did not obtain approval/license from Bank Negara Malaysia (BNM), Securities Commission of Malaysia (SC) or other relevant authorities prior to offering their financial products.

| Examples of IFS<br><i>(non-exhaustive)</i>     | Type of activities   |
|--|--|
| <b>Illegal Deposit Taking (IDT)</b>            | <ul style="list-style-type: none"> <li>Receiving, taking or accepting of deposits with promises of repayments.</li> </ul>  |
| <b>Illegal Foreign Exchange Trading Scheme</b> | <ul style="list-style-type: none"> <li>Buying or selling of foreign currency by an individual/company not licensed/approved by Bank Negara Malaysia (BNM)</li> </ul> |
| <b>Illegal Internet Investment Scheme</b>      | <ul style="list-style-type: none"> <li>IDT through internet platforms (e.g. emails or websites) as the primary channel</li> </ul>                                    |

RHB Banking Group would like to provide some information about those who could become victims of IFS :

| Potential victims                                   | Vulnerability  |
|---|--|
| <b>Inexperienced Investors</b>                      | <ul style="list-style-type: none"> <li>Inexperienced investors are vulnerable to fraud schemes that promise large profits with little or no risk.</li> </ul>                                 |
| <b>Senior Citizens</b>                              | <ul style="list-style-type: none"> <li>Elderly people unfamiliar with new technologies or financial strategies.</li> </ul>   |
| <b>Low-Income or Financial Distress Individuals</b> | <ul style="list-style-type: none"> <li>Financially struggling people are more tempted by Ponzi or Pyramid scheme.</li> </ul>   |
| <b>Small Entrepreneurs Owners</b>                   | <ul style="list-style-type: none"> <li>Scammers will target them with schemes promising business financing that will not materialized.</li> </ul>  |
| <b>Immigrants and Non-Native Speakers</b>           | <ul style="list-style-type: none"> <li>Not familiar with the new country's financial regulations and legal systems due to language barriers or limited access to legal resources.</li> </ul> |
| <b>Online Users</b>                                 | <ul style="list-style-type: none"> <li>Targeted by phishing scams, fake investment platforms and fraudulent online marketplaces.</li> </ul>  |
| <b>High Net Worth Individuals</b>                   | <ul style="list-style-type: none"> <li>Targeted for more sophisticated schemes or high-profile frauds in terms of investment frauds or tax evasion schemes.</li> </ul>                       |



Below are some examples of precautions measures you may exercise while dealing with financial products to ensure it is approved/licensed by the relevant authorities.

| <b>Precautions</b><br><i>(non-exhaustive)</i>     | <b>Measures</b>   |
|---|---|
| <b>Educate Yourself</b>                           | <ul style="list-style-type: none"><li>• Keep up-to-date with the latest fraud alerts and warnings from reputable sources like government agencies.</li></ul>  |
| <b>Verify Legitimacy</b>                          | <ul style="list-style-type: none"><li>• Before investing or engaging in financial transactions, research and verify the legitimacy of the individuals or organizations involved. Look for:<ul style="list-style-type: none"><li>✓ Registered and licensed financial advisors.</li><li>✓ Reviews and complaints about companies or individuals.</li><li>✓ Verification from relevant regulatory bodies (e.g., SEC, FINRA).</li></ul></li></ul> |
| <b>Be Cautious with Personal Information</b>      | <ul style="list-style-type: none"><li>• Avoid sharing sensitive personal or financial information unnecessary to anyone.</li></ul>  |
| <b>Avoid High-Pressure Tactics</b>                | <ul style="list-style-type: none"><li>• Take your time to evaluate offers and consult with trusted financial advisors before making decisions.</li></ul>  |
| <b>Use Secure Channels</b>                        | <ul style="list-style-type: none"><li>• Look for "https://" in website URLs and be cautious of links in unsolicited emails or messages.</li></ul>   |
| <b>Monitor Financial Statements</b>               | <ul style="list-style-type: none"><li>• Regularly check your bank and credit card statements for any unauthorized transactions.</li></ul>   |
| <b>Be Skeptical of Too-Good-to-Be-True Offers</b> | <ul style="list-style-type: none"><li>• If an investment or opportunity promises unusually high returns with little risk, it's likely a scam.</li></ul>   |
| <b>Report Suspicious Activity</b>                 | <ul style="list-style-type: none"><li>• If you encounter or suspect a financial scam, report it to the relevant authorities, such as the Bank Negara Malaysia (BNM) or Securities Commission of Malaysia (SC).</li></ul>  |
| <b>Implement Strong Cybersecurity Practices</b>   | <ul style="list-style-type: none"><li>• Use strong, unique passwords for your financial accounts, enable two-factor authentication (2FA), and regularly update your software to protect against malware and phishing attacks.</li></ul>   |

Contact your nearest RHB Branch or Customer Care Center 03-92068118 or email [customer.service@rhbgroup.com](mailto:customer.service@rhbgroup.com) to report any doubtful matters.