



RHB BANK BERHAD



STRENGTHENING *OUR* SUSTAINABILITY VISION

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STRENGTHENING OUR SUSTAINABILITY VISION

RHB continues to strive towards embedding sustainable practices into the Group's business and operations in line with its sustainability vision. As we advance in our sustainability journey, we have bolstered our efforts with a strengthened Sustainability Framework, ensuring that we remain steadfast in responding to changing stakeholder concerns, considering the wider context of market conditions and measuring value of impact to the environment and society.

With this stronger foothold, we have a clearer path and better understanding of what needs to be done. It is our aim to make a positive impact on the economy, environment and society whilst maintaining the highest level of integrity as we integrate responsible values and sustainability considerations across the Group, ultimately creating value for our stakeholders.

About This Report

RHB Bank Berhad ("RHB Banking Group", "RHB" or "the Group") is on a progressive sustainability journey of continuous value creation for its stakeholders. This Report communicates RHB's performance in the most prominent sustainability focus areas, detailing our navigation and integration of the Environmental, Social and Governance ("ESG") risks and opportunities. Underpinning our sustainability efforts are not only robust initiatives and governance, but also key commitments and a new Sustainability Framework.

This Report details the Group's response to the ESG impacts and material issues while we create value for each stakeholder group. It shares a holistic picture of our sustainability progress with stakeholders as we move closer to our vision of **"Building a Sustainable Future"** together.

REPORTING PERIOD AND CYCLE

RHB Bank Berhad is committed to reporting its sustainability performance annually in accordance with the provisions of Bursa Malaysia's Main Market Listing Requirements. The RHB Sustainability Report 2019 covers the financial period between 1 January 2019 and 31 December 2019, unless otherwise stated.

SCOPE AND BOUNDARIES

RHB Bank Berhad is a public company listed on Bursa Malaysia's Main Market Listing. This Report covers RHB Bank Berhad and its subsidiary companies across the Association of Southeast Asian Nations ("ASEAN"). References to 'RHB', 'RHB Bank', 'the Organisation', 'the Group' and 'we' refer to RHB Bank Berhad and/or its subsidiaries.

The scope of this Report covers only strategies, initiatives and activities in RHB Bank Berhad and its subsidiary companies across ASEAN. As we are in the process of refining our data collection to ensure better coverage and disclosures in the future, certain information may be limited to geographical sectors. All data in this Report relates to the operations of RHB in Malaysia, as they reflect our key market. Location-specific data is stated where applicable.

GUIDELINES AND STANDARDS

This Report has been developed and benchmarked against the best practices in the industry and sustainability reporting guidelines:

- Global Reporting Initiative ("GRI") Standards
- Bursa Malaysia Sustainability Reporting Guide 2nd Edition
- United Nations Sustainable Development Goals

REPORTING PRINCIPLES

The following GRI Standards Reporting Principles were applied when developing the content of this report:

- Stakeholder Inclusiveness: Re-evaluated and engaged with identified stakeholders to better understand and respond to their concerns (pages 24 - 27)
- Sustainability Context: Presented information in the wider context of sustainability
- Materiality: Covered matters that are important to our stakeholders and impact our business (pages 18 - 23)
- Completeness: This report includes coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess our performance in the reporting period (pages 2, 19)

This Report has been prepared 'in accordance' with the GRI Standards: Core option.

FEEDBACK

We welcome comments from our stakeholders. For further enquiries or feedback, please contact:

**SUSTAINABILITY MANAGEMENT
GROUP CORPORATE COMMUNICATIONS
RHB BANK BERHAD**

Level 8, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur
Email: sustainability@rhbgroup.com



Visit RHB's 2019 microsite to view our 2019 reporting suite - Integrated Report, Financial Report, Corporate Governance Report and Sustainability Report

Who We Are



RM
257.6
billion

Total Assets

RM
7.1
billion

Total Income

14,345

**Employees across
10 countries**

RHB BANKING GROUP is a multinational regional financial services provider that is committed to delivering complete solutions to customers through differentiated segment offerings and an ecosystem that supports simple, fast and seamless customer experiences, underpinned by a cohesive and inspired workforce and relationships built with stakeholders.

Ranked among the top banks in Malaysia and with a significant presence in ASEAN, RHB has strong market leadership in Malaysia across targeted products and segments. With 14,345 employees Group-wide, RHB's presence spans 10* countries in the ASEAN region.

Scan the QR code to visit our corporate website
www.rhbgroup.com



Corporate Information

COMPANY SECRETARIES

Azman Shah Md Yaman
(LS 0006901)

Lai Su Ming
(MAICSA No. 7046164)

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

COMPANY REGISTRATION NO.

196501000373 (6171-M)

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor

**Shamsul Kamal Abdul Manaf
Hastini Hassim**

For shareholders' enquiries
Helpdesk No. : 603 7890 4700
Fax : 603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS

PricewaterhouseCoopers PLT
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur
Tel : 603 2173 1188
Fax : 603 2173 1288

CUSTOMER CONTACT CENTRE

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



Note:
* We will exit our Hong Kong business, effective Q2 2020.

What We Do



RHB Banking Group is one of the largest fully integrated financial services groups in Malaysia. The Group's core businesses are structured into business pillars, namely Group Retail Banking, Group Business & Transaction Banking, Group Wholesale Banking, RHB Singapore, Group Shariah Business, Group International Business and Group Insurance.

GROUP RETAIL BANKING

Group Retail Banking ("GRB") provides conventional and Shariah-compliant consumer banking solutions.

Our retail products and services include Wealth Management, Bancassurance, Mortgages, Auto Financing, ASB Financing, Personal Financing, Credit Cards, Payments and Deposits, which are offered through our branches and our digital platforms.

Our Asset Management pillar manages a full set of investment services and offerings including management of unit trust funds, investment management advisory, private mandates, product development and trustee services.

For more details, go to pages 61 to 66 of our Integrated Report 2019.

GROUP BUSINESS & TRANSACTION BANKING

Group Business & Transaction Banking ("GBTB") offers a wide range of business solutions ranging from loans and financing, deposits, cash management solutions, trade finance and services including supply chain financing solutions, FX, remittance and interbank business, among others.

Group Business Banking provides financing solutions to Small and Medium Enterprises ("SMEs") and family-owned enterprises, while Group Transaction Banking caters to trade and cash management solutions for SMEs and large corporates.

For more details, go to pages 67 to 69 of our Integrated Report 2019.

GROUP WHOLESALE BANKING

Group Wholesale Banking comprises three core business segments, namely Group Investment Banking, Group Corporate Banking and Group Treasury and Global Markets which was set up to provide comprehensive and coordinated services to our customers.

Its solutions for business growth include Mergers and Acquisitions ("M&A") advisory, capital markets fund raising, financial structuring and financing. Customer performance optimisation services include cash management, trust and security, business solutions and cross-border transactions. Finally, its trading platform and research products enable clients to make sound investment choices.

For more details, go to pages 70 to 79 of our Integrated Report 2019.

GROUP SHARIAH BUSINESS

RHB Islamic Bank is the Group's Islamic Banking arm, providing Shariah-compliant banking and financial services through four business units, which are Retail Banking, Corporate & Investment Banking, Business & Transaction Banking and Islamic Treasury. It continues to be among the preferred financial institution for SMEs by meeting ever-changing demands and adding value throughout the SME supply chain with our innovative financial supply chain products.

For more details, go to pages 80 to 83 of our Integrated Report 2019.

GROUP INSURANCE

RHB Insurance, a subsidiary of RHB Bank Berhad, provides general insurance for retail, SME, commercial and corporate customers. It is the 12th-largest insurer in Malaysia with 3.9% market share and ranks among the Top 10 insurers for Fire.

For more details, go to pages 84 to 85 of our Integrated Report 2019.

RHB SINGAPORE

RHB Singapore has been in operation for over five decades and has demonstrated excellence in the financial sector. As a key regional contributor to the Group, it continues to build upon its strengths in the mid-cap segment, aiming to be the catalyst bank for SMEs, advising on both business and personal financial needs. RHB Singapore's core businesses are streamlined into seven pillars, namely Retail Banking, Commercial Banking, Corporate and Investment Banking, Treasury, Capital Markets, Brokerage and Asset Management.

For more details, go to pages 86 to 88 of our Integrated Report 2019.

INTERNATIONAL BUSINESS

RHB's International Business comprises our overseas commercial banking portfolio other than Singapore. We have a strong network of branches across Cambodia, Thailand, Lao PDR and Brunei offering products ranging from loans, deposits, trade finance and remittance for customers of all segments. We also maintain representative offices in Vietnam and Myanmar that offer liaison and advisory services for Malaysian companies seeking to conduct business in these countries.

For more details, go to pages 89 to 91 of our Integrated Report 2019.

Scan the QR code for more details on our core businesses



REGIONAL PRESENCE

- ▶ **Singapore**
 - Commercial Banking, Capital Markets and Securities Services
 - Asset Management
 - Established in 1961
- ▶ **Indonesia**
 - Capital Markets and Securities Services
 - Asset Management
 - Established in 1990
- ▶ **Thailand**
 - Commercial Banking, Capital Markets and Securities Services
 - Established in 1964
- ▶ **Cambodia**
 - Commercial Banking, Capital Markets and Securities Services
 - Established in 2008
- ▶ **Lao PDR**
 - Commercial Banking Services
 - Established in 2014
- ▶ **Brunei**
 - Commercial Banking Services
 - Established in 1965
- ▶ **Vietnam**
 - Representative Office
 - Capital Markets and Securities Services
 - Established in 2008
- ▶ **Myanmar**
 - Representative Office
 - Established in 2014
- ▶ **Hong Kong***
 - Capital Markets and Securities Services
 - Established in 2004

* We will exit our Hong Kong business, effective Q2 2020.

Where We Operate

KEY REGIONAL PRESENCE

14,345 employees
348 branches/offices

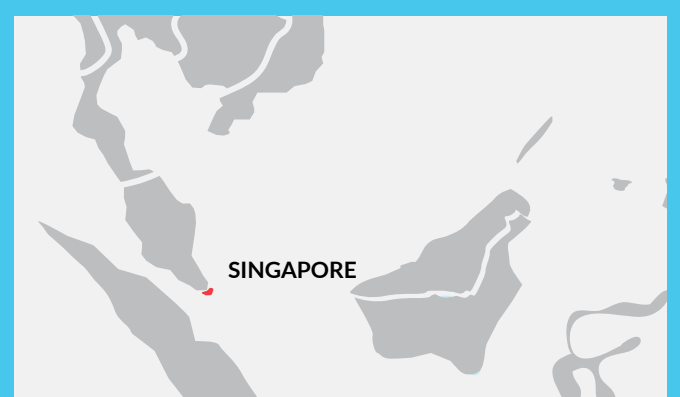


Scan the QR code for the details on our BRANCH NETWORK

OUR REGIONAL PRESENCE AND PERFORMANCE



Employees	Total Income
2019 12,638	2019
2018 12,719	RM6,302.6 mil
Branches/ Offices	2018
2019 289	RM6,056.0 mil
2018 303	



Employees	Total Income
2019 718	2019
2018 703	SGD156.8 mil
Branches/ Offices	2018
2019 9	SGD145.5 mil
2018 9	



Employees	Total Income
2019 349	2019
2018 364	IDR172.7 bil
Branches/ Offices	2018
2019 16	IDR234.2 bil
2018 16	



Employees	Total Income
2019 209	2019
2018 227	THB766.9 mil
Branches/ Offices	2018
2019 12	THB821.0 mil
2018 14	



Employees	Total Income
2019 256	2019
2018 234	USD26.7 mil
Branches/ Offices	2018
2019 13	USD24.0 mil
2018 13	



Employees	Total Income
2019 65	2019
2018 64	LAK39.6 bil
Branches/ Offices	2018
2019 3	LAK36.1 bil
2018 3	



Employees	Total Income
2019 27	2019
2018 26	BND3.8 mil
Branches/ Offices	2018
2019 1	BND3.7 mil
2018 1	



Employees	Total Income
2019 22	2019
2018 1	VND11.6 bil
Branches/ Offices	2018
2019 2	VND5.9 bil
2018 1	



Employees	Total Income
2019 61	2019
2018 87	HKD28.2 mil
Branches/ Offices	2018
2019 2	HKD49.7 mil
2018 4	

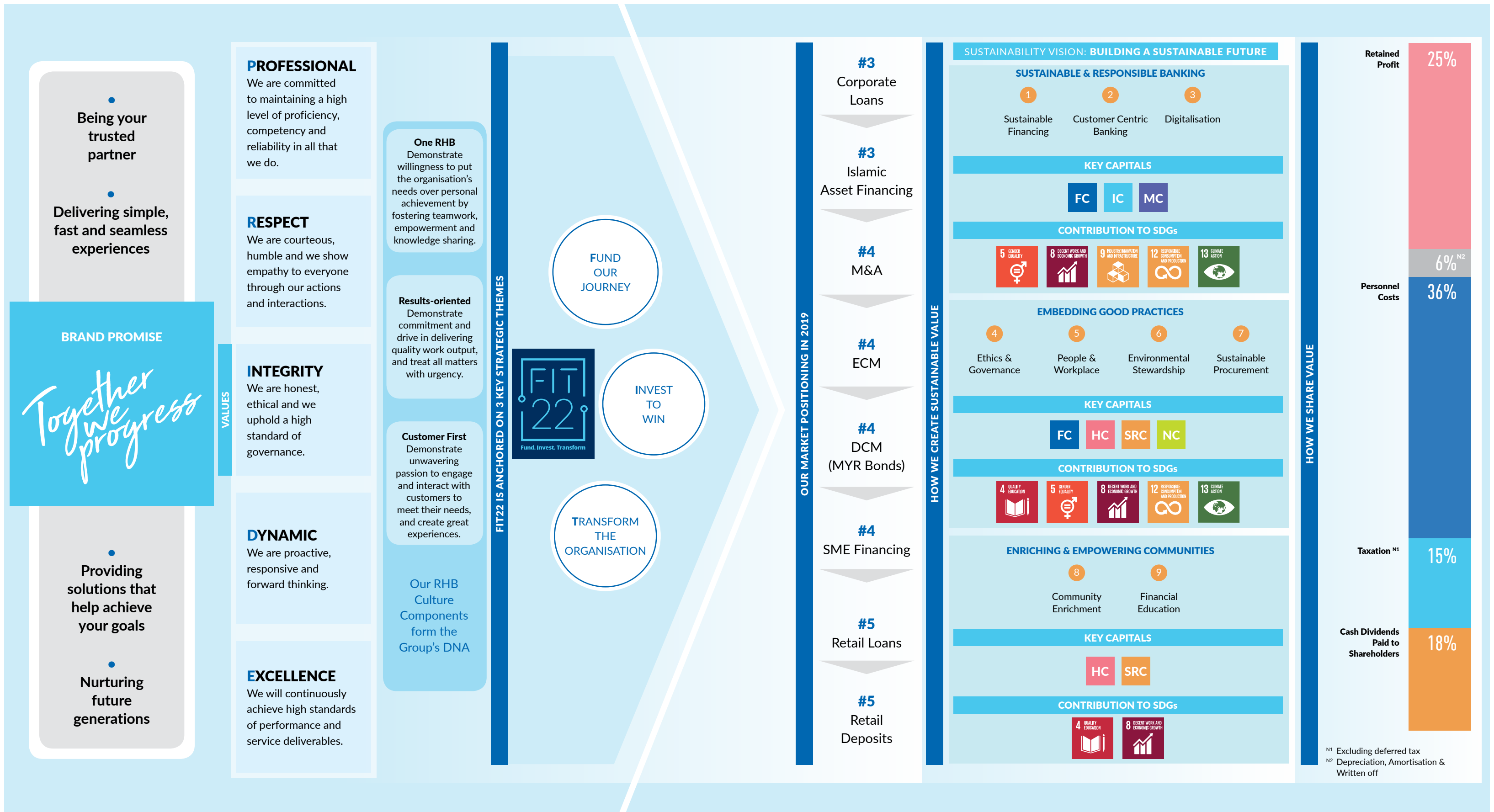


Employees	Total Income
2019 61	2019
2018 87	HKD28.2 mil
Branches/ Offices	2018
2019 2	HKD49.7 mil
2018 4	

* As of 31 December 2018, Vietnam Securities Corporation is an associate of Investment Banking Group (49%).

* We will exit our Hong Kong business, effective Q2 2020.

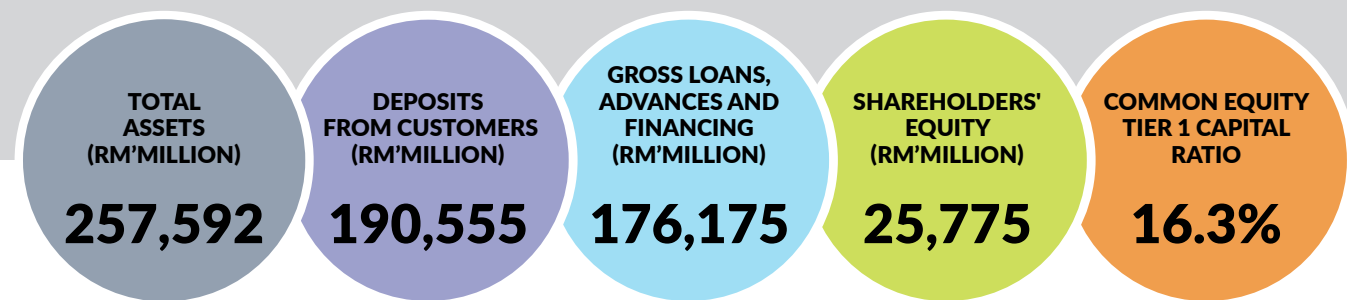
Our Investment Case



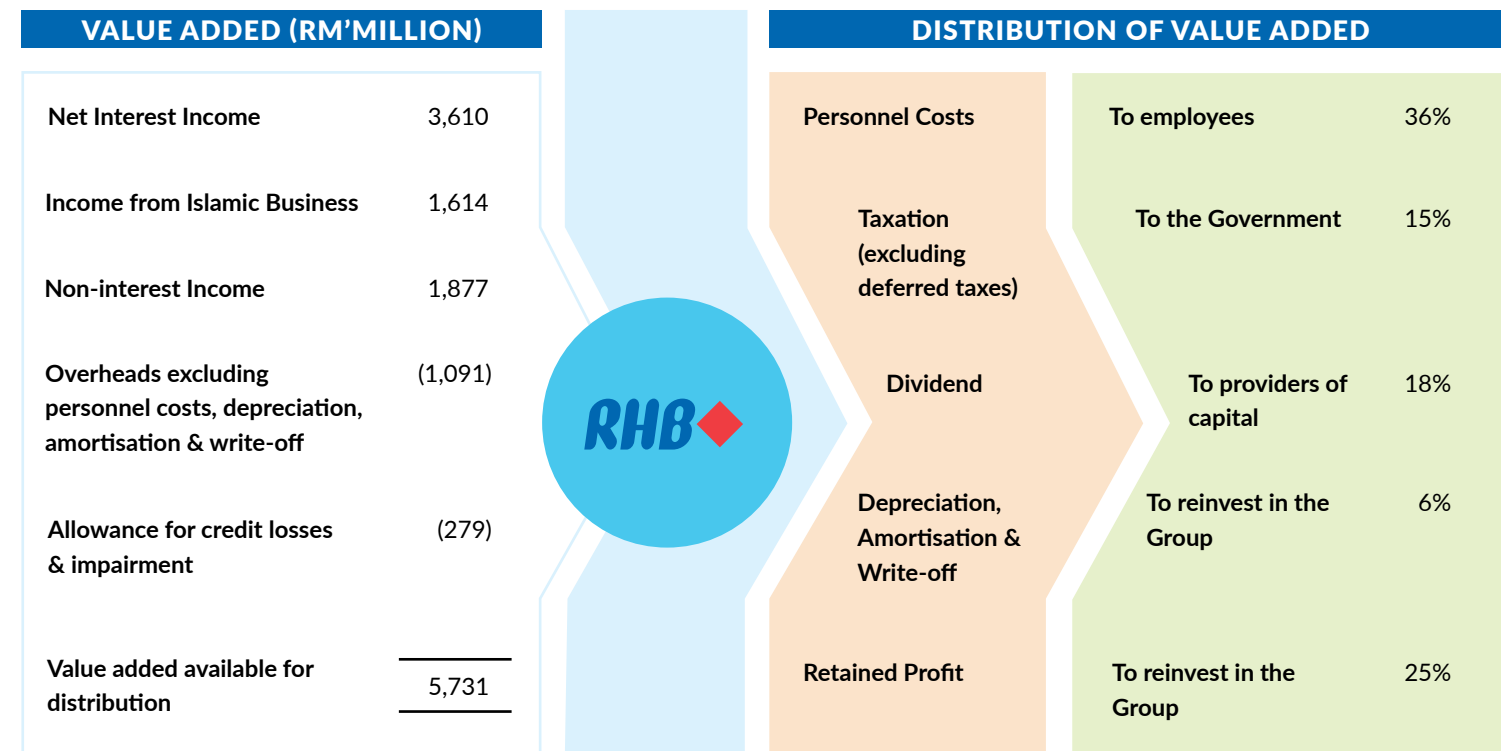
Financial & Non-financial Highlights

Financial Highlights

	2019
Total Income (RM'million)	7,101
Cost-to-Income Ratio	48.9%
Profit Before Taxation (RM'million)	3,350
Net Profit Attributable to Equity Holders of the Bank (RM'million)	2,482



Distribution of Value Added – 2019



Non-financial Highlights

PILLAR ONE: Sustainable & Responsible Banking

ESG Risk Management ▶

ESG Sensitive Sectors with ESG vulnerabilities have been identified

ESG risk-related activities identified under **Prohibited Credits**

Developed **ESG Risk Assessment Tool** for identified ESG Sensitive Sectors

Developed **3 Industry-Specific ESG Risk Assessments**

Green Financing ▶

Committed to extend **RM5 billion by 2025**, to support green activities and transition to a low-carbon and climate-resilient economy through either lending, advisory and/or investment activities

Extended **RM2.8 billion** to support green activities as at 31 December 2019

Approved a total of **RM246.21 million** in loans for renewable energy projects



Total loans of **RM5 billion** provided to **small and medium-sized enterprises ("SMEs")**

Improved **Customer Net Promoter Score** by 9 points to +9 for RHB Group (Malaysia)

4,425 branch staff received special **soft skills training** to engage with people with disabilities or special needs

Digital adoption and financial access ▶

46.9% or **1.86 million** RHB customers are using Internet Banking

16.6% or **0.65 million** RHB customers are using RHB Mobile Banking app

1st bank in Malaysia to launch a Homeowners Post-Purchase microsite for move-in solutions

PILLAR TWO: Embedding Good Practices

Platinum Award for Best Governed & Most Transparent Company by the Pinnacle Group International's Global Good Governance Award

Diverse and inclusive leadership (women's representation) ▶

27% of Directors on the Board

26.9% of Senior Management

50.2% of Management

Improved **Employee Engagement Score** to **90%**, higher than the Malaysian financial industry average (89%)

GHG emission* ▶

Total GHG emissions was **13,688** tCO₂e

GHG emission intensity per employee has been reduced by **43%** since 2016

More than **90%** of suppliers based in Malaysia are local

Learning and development ▶

Invested approximately **RM43 million** in learning and development programmes for employees

Average training hours per employee **72 hours**

PILLAR THREE: Enriching & Empowering Communities

Total community investment (2017 to 2019) – **RM9.5 million**

Nurturing future generations through quality education ▶

1,200+ students from underprivileged backgrounds benefitted from **RHB X-Cel Academic Excellence Programme** since 2018

10 students received the **RHB X-Cel Star Scholarship** in 2019, with plans to increase to 15 per annum

Touching the lives of underprivileged and underserved community members ▶

Over the last four years through **RHB Touch Hearts**

RM1.7 million raised by RHBians

Carried out **158** initiatives

Benefitted more than **100,000** people

Engaged over **22,000** students through **Money Ma\$ter financial literacy programme** since 2018



Nurtured **66 young and emerging local artists** by providing them with a platform to showcase their artwork and creativity over the last 4 years through Art with Heart

Note:

* GHG emissions was for RHB Centre and RHB Complex in the Klang Valley, Malaysia.

ESG ACCOLADES AND RATINGS ▶



FTSE4Good Index Series*
Retained as a constituent of the FTSE4Good Index Series:

- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN5 Index
- FTSE4Good Emerging Index

'AA'
as at
Sept 2019

MSCI ESG Rating
Continued to demonstrate improvement across ESG rating history:

- 2019: AA (Leader)
- 2018: A (Average)
- 2017: BBB (Average)

Disclaimer:

* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that RHB Bank has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Joint Leadership Message

Dear Valued Stakeholders,

Financial institutions play a central and crucial role in contributing towards a country's economic development and the well-being of society. In the past few years we have seen more organisations coming under close scrutiny on matters that affect the environment and on governance issues. Financial institutions are far from immune to this scrutiny. Winning the trust and confidence of our customers, and that of our key stakeholders, through business practices that have positive social impact will go a long way towards creating greater shareholder value and building a firmer foundation for the Group.

With this in mind, we proudly present to you RHB Banking Group's ("RHB" or "Group") 2019 Sustainability Report, which outlines our sustainability journey and demonstrates our progress to create better value while positively impacting the lives of everyone around us.

A Robust Sustainability Framework

We made great strides in our sustainability journey since 2018 by addressing the needs and expectations of all our stakeholders, including our shareholders, customers, business partners, employees, and the communities within which we operate. We remain committed in supporting the United Nations Sustainable Development Goals and believe that our Group Sustainability Framework ("Sustainability Framework") will contribute towards the achievement of our goals and aspirations as a sustainable Bank.

Our sustainability journey is guided by our Sustainability Framework, which comprises three thematic pillars namely, **Sustainable and Responsible Banking, Embedding Good Practices and Enriching and Empowering Communities**, which are further supported by our identified material matters. This Framework guides the Group in embedding sustainability practices throughout our business and internal operations, and determines our response to the evolving sustainability landscape within our business environment.

Sustainable and Responsible Banking

RHB is guided by a clear roadmap in promoting sustainable and responsible financing by ensuring that our risk management processes in Environmental, Social and Governance considerations that are in line with leading market practices. By integrating sustainability in our business strategy and operations, we can better contribute to sustainable development and facilitate the country's transition towards a low carbon and climate resilient economy. In this regard, we have committed a RM5 billion towards supporting green activities through lending, and/or investment by 2025.

As a regional financial services provider, our role within the community goes beyond simply advocating green financing and investment. Socio-economic development remains just as important to ensure the socio-economic well-being of our communities. For this, we ensure that the products and services that we offer, from lending, deposits and transactions, are tailored to our targeted customer segments while ensuring that it efficiently reaches the underserved segments of our society. We achieve this by supporting financial inclusion initiatives through our wide branch network and comprehensive digital channels.

Small and Medium Enterprises ("SMEs"), which play a pivotal role in Malaysia's economic development is one of our key focus segments. We have developed an integrated and holistic digital SME Ecosystem that empowers more than 100,000 SMEs nationwide by improving access to financing. Our end-to-end digital platform also increases SMEs' efficiency while simultaneously reducing cost of operations, allowing business owners to focus on what matters most – growing their business.

Our Islamic banking arm is aligned with the principles of Value-Based Intermediation ("VBI") which prioritises the well-being of Ummah and society). Within this, we positioned ourselves as a digital social enabler where we empower and enable our customers and members of the community to support credible recipients for a common cause, such as charitable homes, mosques, other places of worship and other institutions via cashless payment systems namely SyuQR (e-Sadaqah).

Embedding Good Practices

For us to play a holistic role as a responsible corporate citizen, we strive to strike a balance between managing the welfare of the community and the welfare of our employees. Our employees play a significant role in the growth of the Group as we continue to invest in a structured learning and development programme to enable them to fulfil their professional goals. We support diverse teams and build leadership capabilities to ensure that we are competitive and deliver superior value to our stakeholders.



On ESG:

"We want to integrate ESG matters into our business strategy and decision-making, but do so by taking practical steps to progressively get there."

On Climate Change:

"Climate change has a significant impact on our future generations and the economy. We want to play our part and contribute from a business point of view in supporting the transition to a low carbon and climate resilient economy."

On Talent Management:

"The key thing is to have an employee value proposition that is compelling and meaningful to employees. It's about ensuring that we take care of our employees' well-being holistically; beyond financial rewards and recognitions."

On Community Engagement:

"Our community engagement programmes demonstrate our continued commitment to enriching and elevating the lives of the communities within which we operate. Our key focus is on nurturing children and youth by providing them with appropriate tools and resources that will harness their full potential and develop them into holistic individuals, enabling them to contribute towards the country's socio-economic development in the future."



AZLAN ZAINOL
Chairman
RHB Bank Berhad

KHAIRUL RAMLI
Group Managing Director, RHB Bank Berhad
Chairman, RHB Foundation

Joint Leadership Message

Dear Valued Stakeholders,

Financial institutions play a central and crucial role in contributing towards a country's economic development and the well-being of society. In the past few years we have seen more organisations coming under close scrutiny on matters that affect the environment and on governance issues. Financial institutions are far from immune to this scrutiny. Winning the trust and confidence of our customers, and that of our key stakeholders, through business practices that have positive social impact will go a long way towards creating greater shareholder value and building a firmer foundation for the Group.

With this in mind, we proudly present to you RHB Banking Group's ("RHB" or "Group") 2019 Sustainability Report, which outlines our sustainability journey and demonstrates our progress to create better value while positively impacting the lives of everyone around us.

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RHB is guided by a clear roadmap in promoting sustainable and responsible financing by ensuring that our risk management processes integrate Environmental, Social and Governance considerations that are aligned with leading market practices. By integrating sustainability into our business strategy and operations, we can better contribute to sustainable development and facilitate the country's transition towards a low carbon and climate resilient economy. In this regard, we have committed a total of RM5 billion towards supporting green activities through lending, advisory and/or investment by 2025.

As a regional financial services provider, our role within the community goes beyond simply advocating green financing and investment. Social development remains just as important to ensure the socio-economic well-being of our communities. For this, we ensure that the products and services that we offer, from lending, deposits and transactions, benefit our targeted customer segments while ensuring that it efficiently reaches the underserved segments of our society. We achieve this by supporting financial inclusion initiatives through our wide branch network and our comprehensive digital channels.

Small and Medium Enterprises ("SMEs"), which play a pivotal role in Malaysia's economic development is one of our key focus segments. We have developed an integrated and holistic digital SME Ecosystem that empowers more than 100,000 SMEs nationwide by improving access to financing. Our end-to-end digital platform also increases SMEs' efficiency, while simultaneously reducing cost of operations, allowing business owners to focus on what matters most – growing their business.

Our Islamic banking arm is aligned with the principles of Value-Based Intermediation ("VBI") which prioritises the well-being of Ummah (people and society). Within this, we positioned ourselves as a digital social capital enabler where we empower and enable our customers and members of the community to support credible recipients for a common cause, such as charitable homes, mosques, other places of worship and other institutions, via cashless payment systems namely SyuQR (e-Sadaqah).

Embedding Good Practices

For us to play a holistic role as a responsible corporate citizen, we must strike a balance between managing the welfare of the community and that of our employees. Our employees play a significant role in the growth of the Group as we continue to invest in a structured learning and development programme to enable them to fulfil their professional goals. We create diverse teams and build leadership capabilities to ensure that we remain competitive and deliver superior value to our stakeholders.

In 2019, we invested more than RM40 million towards learning and development programmes, which included the RHB Leadership Signature Programme for our talents, especially young RHBians, in collaboration with Melbourne Business School. We trained more than 400 RHBians to be Digital Leaders to upskill and future-proof our workforce, thus ensuring our continued agility to deliver on the Group's FIT22 strategic aspirations.

A compelling Employee Value Proposition ("EVP") provides us with the ability to attract and retain top talents within the Group and sets us apart from our competitor. Through the five EVP pillars – RHB Cares, RHB Leads, RHB Inspires, RHB Progresses and RHB Rewards, we aim to build a highly productive, agile and engaged workforce as well as create a positive and conducive environment for RHBians to excel in. As a result, our Employment Engagement Survey ("EES") score improved by 6 points to 90 points, placing RHB as one of the highest ranked organisations within the financial services industry in Malaysia.

Enriching and Empowering Communities

As a regional financial services group, we believe that progress is for everyone and that our achievements today would not have been possible without the support of all our key stakeholders, which includes the communities within which we operate.

We nurture future generations by promoting quality education and improve access to better education through the RHB X-Cel Academic Excellence programme ("RHB X-Cel") that was launched in 2018. This provides the means for potential high achievers within the B40 segment (defined as households with a median monthly income of RM3,000 or less) as well as other underprivileged students to succeed in life and realise their ambitions. RHB X-Cel has since benefitted more than 1,200 students. In 2019, 10 students were awarded the RHB X-Cel Star Scholarship to pursue their tertiary education. This programme will further expand to 15 students annually from the B40 segment, with a total allocation of RM4 million.

As a leading financial services provider, it is incumbent upon us to promote financial literacy and increase financial knowledge among the general population. One key initiative in empowering children and youth is our structured and interactive Money Ma\$ter programme, which has seen over 22,000 student participations from 120 schools across Malaysia since 2018. Our surveys show an increasing number of participants have found this initiative to be beneficial and have started putting away pocket money into savings accounts.

In promoting the spirit of volunteerism and encouraging our employees to engage with local communities, the Group created the RHB Touch Hearts Programme – a platform which enables our employees to get personally involved in giving back to communities. Each year, RHBians from across the Group look forward to this opportunity to enrich and touch the lives of those in need. The programme has thus far impacted more than 100,000 lives and raised more than RM1.7 million which had been channeled towards over 150 initiatives and causes over the last 4 years.

In closing, we have achieved good progress in embedding sustainable practices within our business and operations across ASEAN over the past year. However, we are cognisant that sustainability is a journey and together with our stakeholders, we will continue to make progress.

On behalf of the Group, our deepest gratitude goes to our respected shareholders, valued customers, regulatory and governmental authorities as well as other stakeholders for standing by us as we move forward in our sustainability journey. We would also like to record our most sincere appreciation to the Board of Directors and the Senior Management team within RHB Banking Group for their support and dedication. A special thank you to the Board of Trustees of RHB Foundation for their commitment in driving the Group's community engagement initiatives.

Last but not least, we wish to thank all RHBians for their hard work in delivering the Group's goals and aspirations which has provided positive impact to those around us and created sustainable value for all our stakeholders.



AZLAN ZAINOL
Chairman
RHB Bank Berhad

KHAIRUL RAMLI
Group Managing Director, RHB Bank Berhad
Chairman, RHB Foundation

AZLAN ZAINOL
Chairman
RHB Bank Berhad

KHAIRUL RAMLI
Group Managing Director, RHB Bank Berhad
Chairman, RHB Foundation

Our Approach to Sustainability

- RHB Sustainability Framework

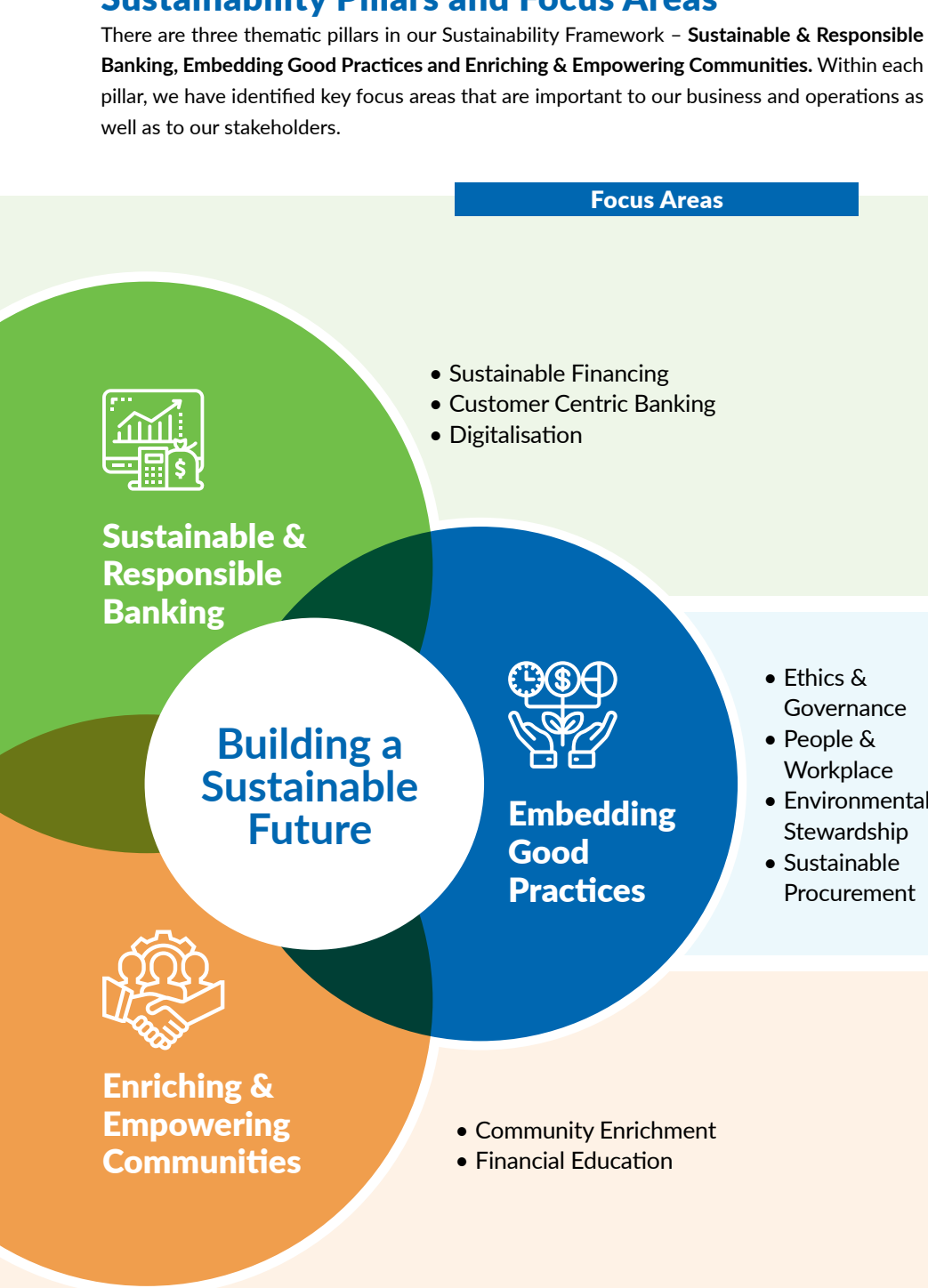
Scan the QR code to read and download Our Approach to Sustainability



RHB embarked on its sustainability journey in Q4 2018 when the Group identified its sustainability material matters and defined its commitments. 2019 was a year of discovery for the Group, to better understand sustainability and how to progress forward, together.

Sustainability Pillars and Focus Areas

There are three thematic pillars in our Sustainability Framework – **Sustainable & Responsible Banking, Embedding Good Practices and Enriching & Empowering Communities**. Within each pillar, we have identified key focus areas that are important to our business and operations as well as to our stakeholders.



Alignment & Contribution



Key Capitals <IR>:
Financial, Intellectual and Manufactured

Value to Stakeholder(s) –
Shareholders & Investors, Customers, Business Partners and Regulators & Policymakers

Primary SDGs:



Alignment & Contribution



Key Capitals <IR>:
Financial, Human, Social & Relationship and Natural

Value to Stakeholder(s) –
Employees, Business Partners and Regulators & Policymakers

Primary SDGs:



Alignment & Contribution



Key Capitals <IR>:
Human and Social & Relationship

Value to Stakeholder(s) –
Communities, Customers, Employees and Regulators & Policymakers

Primary SDGs:



The Group Sustainability Framework is a cumulative effort that outlines how RHB can better respond to changing stakeholder concerns, consider the wider context of market conditions and measure value or impact. It is intended to be a “live document” and will continuously be reviewed based on stakeholder expectations and RHB Group’s sustainability journey in relation to the core businesses’ and internal operations’ footprints.

SUSTAINABLE & RESPONSIBLE BANKING

The parameters:

- Carry out our role as a financial services provider by integrating ESG factors and risks into our business strategies and decision-making processes, as well as lending, advisory and investment activities
- Identify opportunities that will leave a positive impact and contribute to sustainable development
- Provide products and services that promote positive impacts and minimise negative impacts on the environment and society

Focus Area	Description
Sustainable Financing	Integrating ESG considerations into RHB’s core business activities (lending, investment and advisory) and decision-making to manage ESG risks associated with products and services, as well as contributing positively towards sustainable development.
Customer Centric Banking	Focusing on customer-centricity through better customer experience, and treating customers fairly.
Digitalisation	Comprises a robust digital adoption and innovation plan, which will enhance our services and operational excellence, strengthen our presence, deepen relationships with customers and expand our reach to the underserved.

EMBEDDING GOOD PRACTICES

The parameters:

- Foster sustainable practices and responsible behaviour across the Group
- Integrate responsible values and ESG considerations into the core of the Group’s vision, values, strategy and goals, policies, existing business tools and processes, product design and operations
- Nurture a sustainable culture through awareness-building, learning and development and on-ground initiatives

Focus Area	Description
Ethics & Governance	Developing new policies, guidelines or statements and enhancing existing ones that incorporate ESG issues. Communicating RHB’s efforts to integrate sustainability through engagement with various stakeholders and improved sustainability reporting disclosure.
People & Workplace	Instilling responsible behaviour through improving awareness and capability building on sustainability issues.
Environmental Stewardship	Establishing RHB’s environmental footprint to improve monitoring and reporting while promoting resource management and green practices.
Sustainable Procurement	Promoting responsible and good sustainable procurement practices for suppliers and vendors.

ENRICHING & EMPOWERING COMMUNITIES

The parameters:

- Carry out meaningful, diverse and inclusive initiatives that deliver benefits and produce positive social impact for communities
- Enrich the lives of the underserved and the underprivileged, focusing on children and youth
- Promote the spirit of volunteerism, thereby instilling positive values among employees and society as a whole
- Elevate the levels of financial literacy and promote responsible financial behaviour and healthy attitudes towards financial management

Focus Area	Description
Community Enrichment	Driven by RHB’s corporate responsibility pillars and RHB Foundation’s pillars—Nurturing Future Generations, Community Well-Being and Health & Well-Being.
Financial Education	Supporting the community through financial education programmes curated for RHB’s retail and SME customers as well as children and youth.

Note:

* As guided by our Sustainability Principles, RHB Banking Group will align and integrate VBI components across the Group’s Sustainability Framework.

To learn more about the SDGs and how our Sustainability Framework aligns to them, please refer to page 94.

Our Approach to Sustainability

- RHB Sustainability Framework

Sustainability Governance

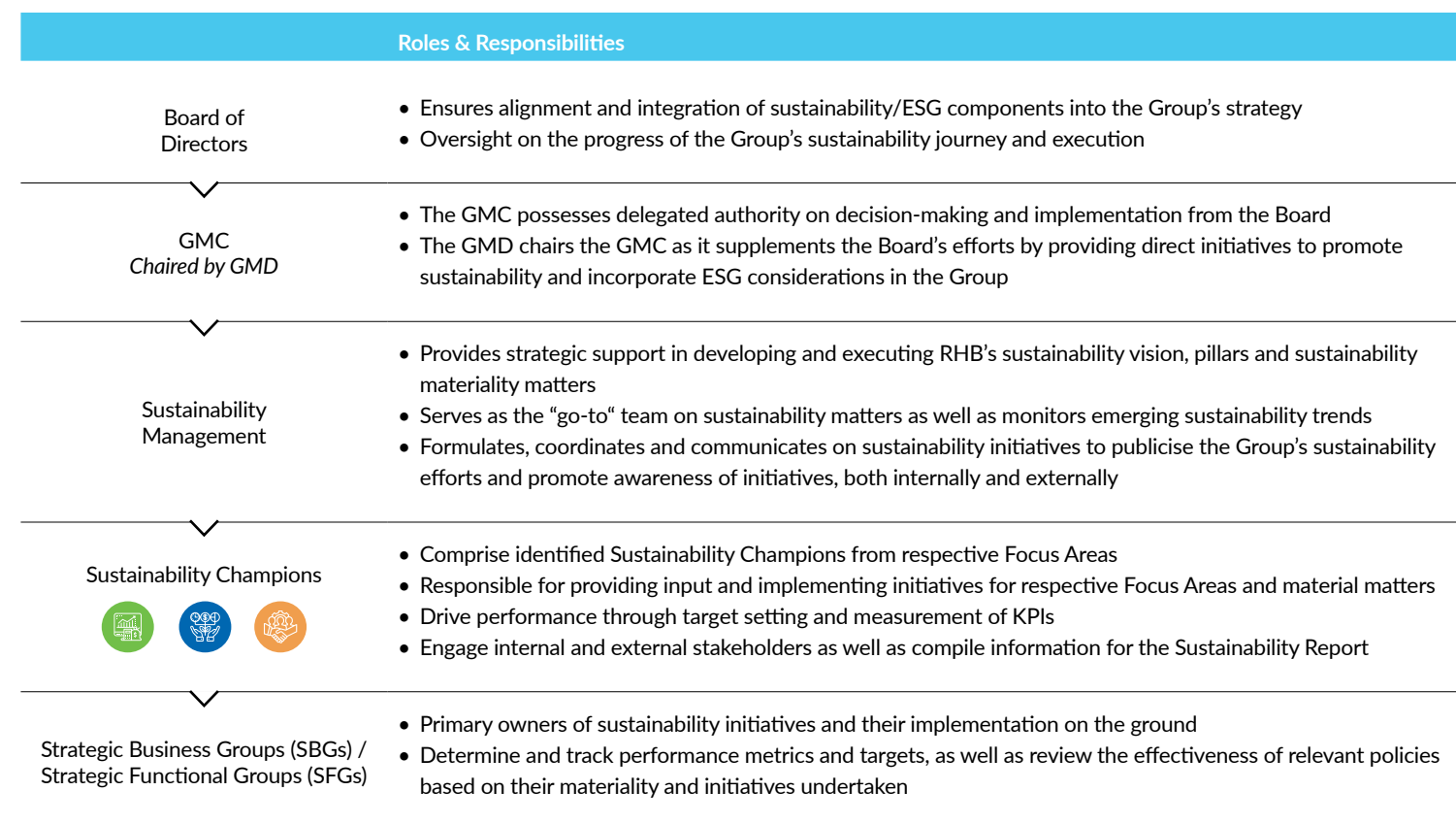
The Board of Directors ("the Board") of RHB Bank Berhad has the ultimate responsibility for oversight on sustainability. The Board oversees the Group's sustainability journey and its execution, ensuring accountability and transparency of its ethical and social responsibility footprints. The Board discusses and receives updates on material issues, developments and progress reports on sustainability at least once every six months. For more information on the roles and responsibilities of the Board, including on sustainability / ESG integration, please refer to RHB Bank Berhad's Board Charter.

At the Senior Management level, the Group Managing Committee ("GMC"), led by the Group Managing Director ("GMD"), has delegated authority from the Board on decision-making and implementation regarding embedding ESG considerations within the Group's business and operations, in line with the Group's corporate strategy.

In driving the Group's Sustainability Focus Areas, a network of Sustainability Sponsors and Champions comprising members of Senior Management has been identified to lead and embed sustainability in their respective business and functional areas.

The Group's Sustainability Management unit ("SM") reports to the Group Chief Communications Officer as the champion for RHB Banking Group's Sustainability Framework. The SM unit provides strategic support and collaborates with Sustainability Sponsors, Sustainability Champions and others across the Group to implement sustainability initiatives. The SM unit's roles and responsibilities include promoting awareness among the Group's employees on the Group's sustainability initiatives.

Sustainability Governance Structure



Sustainability Principles

The Group's Sustainability Principles outline our commitment towards sustainable practices, our integration of environment, social and governance ("ESG") considerations into decision-making processes, our contribution to sustainable development and our Islamic banking business' journey towards being a value-based intermediation ("VBI") bank. These principles set out the conduct and practices expected of RHB Banking Group, its employees and key stakeholders in embedding sustainability as part of our business and operations.

PRINCIPLE 1

Align and Integrate

Align and integrate sustainability/ESG and VBI components as part of our business strategy and decision-making process, enabling us to minimise harm and negative impacts as well as create and deliver value for our shareholders, customers, employees and all other stakeholders.

PRINCIPLE 2

Ethics and Integrity

Maintain the highest level of governance and ethical practices in conducting our business and operations.

PRINCIPLE 3

Stakeholder Engagement

Have continuous and meaningful engagement with all our stakeholders to better understand their evolving expectations and concerns and to put in place a mechanism to respond to their needs appropriately and effectively.

PRINCIPLE 4

Customers and Clients

Have an understanding of our customers and clients and of their evolving needs and risk profiles in order to build trust, enabling them to make better financial choices and achieve shared prosperity.

PRINCIPLE 5

Sustainable Financing

Embed sustainability/ESG factors into the core delivery of the Group's financial services, balancing profitability with financial inclusion and contributing towards sustainable development.

PRINCIPLE 6

Employees and Workplace

Build a dynamic, diverse, inclusive and safe workplace for employees as well as promote good sustainability/ESG practices as part of the Group's culture.

PRINCIPLE 7

Suppliers and Vendors

Operate in a sustainable manner through our procurement practices and make active decisions on how we procure and who from. To this end, we seek to collaboratively promote better sustainable/ESG practices among our suppliers and service providers.

PRINCIPLE 8

Environment

Exercise due care and diligence where possible in managing the Group's direct and indirect environmental impacts as well as promote environmental awareness and advocacy among our network of stakeholders.

PRINCIPLE 9

Community

Enrich and empower the community within which we operate with a focus towards nurturing future generations.

PRINCIPLE 10

Disclosure and Transparency

Keep our shareholders, customers, employees and all our stakeholders informed on the development and impacts (positive and negative) of the Group's sustainability/ESG initiatives and contributions to sustainable development.

Assessing Our Material Matters



Material matters are economic, environmental, social and governance issues that are important to us and our stakeholders, and that impact our ability to create long-term value. Identifying our material matters is key to narrowing down and understanding the ESG issues that we need to respond to, manage and report on.

Some of the key global and local considerations and developments included:

- Stronger calls to action to increase efforts in achieving the UN SDGs
- Scaled efforts within ASEAN for sustainable finance and responsible investment driven by regulators in the ASEAN market
- Greater attention on data privacy and cybersecurity as trust is key and underpins the financial sector
- Growing concern over climate change driven by stakeholders including regulators (e.g. Bank Negara Malaysia) and investors
- Empowering of financial freedom in Malaysia through the launch of the National Strategy for Financial Literacy 2019-2023

When reviewing these matters, we also considered whether the issues were aligned with RHB's Brand Promise, FIT22 strategic objectives, Sustainability Framework and geographical footprint, including the degree to which we had control over or could effect change.

Based on the above, we re-articulated and further enhanced our existing material matters as follows:

- Responsible Finance was renamed as to **Sustainable Financing** to align it to the Group's Sustainability Framework and to better reflect our efforts towards embedding ESG considerations into decision-making and core activities
- Financial Inclusion was renamed as **Financial Inclusion & Education**
- Fair Dealing was renamed as **Fair Treatment of Financial Consumers** in line with Bank Negara Malaysia's newly introduced Fair Treatment of Financial Consumer Policy
- **Risk Management** was categorised as a separate material matter where previously it was captured under Good Business Governance
- **Dynamic Regulatory Landscape** was newly included to reflect our crucial need to be able to swiftly respond to the changing regulatory landscape, enabling us to continue to operate, evolve and remain competitive
- Sustainable Supply Chain was renamed as **Sustainable Procurement** to realign it to the Group's Sustainability Framework
- Emission Management was enhanced in scope and renamed as Climate Change, reflecting the growing expectations from stakeholders on this topic

This culminated in the adoption of a more comprehensive and updated list of 19 materiality matters mapped against our Sustainability Pillars under our Sustainability Framework. We have further described why they are important to us and what our responses are in mitigating or managing their effects, as well as the mapping and boundaries of each material matter against the GRI Standards in the following pages.

In 2018, we conducted a robust materiality assessment that later led to the identification, prioritisation and validation of a list of 17 material matters. This assessment leveraged on sources such as internal perspectives and stakeholder feedback, Bursa Malaysia's sustainability themes, GRI Standards topics, the Sustainability Accounting Standards Board ("SASB") Materiality Map for financials and media analysis.

Insights were later shared and fine-tuned in a materiality assessment workshop comprising representatives from across the Group, who helped to prioritise issues that were most impactful to the Group and its stakeholders. These matters were then assessed, further prioritised and validated through interviews with Group Senior Management and subsequently approved by the Group Management Committee and Board of Directors*.

Review of Material Matters

In 2019, the 17 material matters were reviewed taking into account internal and external factors such as changing global and local trends or issues within the markets we operate in, emerging regulatory developments and higher expectations from stakeholders.

Note:
* For more information on our 2018 materiality assessment, material matters and materiality matrix, please refer to our Sustainability Report 2018.

Material Matters Mapping and Boundary

Material Matters	Subject of Impact & Involvement		
	GRI Standards Topic / GRI G4 Financial Sector Disclosure (FS)	Boundary	RHB Involvement
Pillar 1: Sustainable & Responsible Banking			
Sustainable Financing	FS: Product Portfolio FS: Local Communities	External	Direct
Financial Inclusion & Education*	Indirect Economic Impact FS: Local Communities FS: Product Responsibility	External	Direct
Customer Relationship Management#	-	External	Direct
Fair Treatment of Financial Consumers	Market Labelling FS: Product & Service Labelling	External	Direct
Digitalisation and Investment in Technology**	-	Internal and External	Direct and Indirect

Pillar 2: Embedding Good Practices

Good Business Governance	Anti-Corruption	Internal	Direct
Risk Management**	-	Internal	Direct
Dynamic Regulatory Landscape**	-	Internal	Direct
Data Protection & Cybersecurity	Customer Privacy	Internal and External	Direct
Talent Management	Employment	Internal	Direct
Employee Training & Education	Training & Education	Internal	Direct
Employee Health & Safety	Occupational Health & Safety	Internal	Direct
Diversity & Equal Opportunity	Employment Diversity & Equal Opportunity	Internal	Direct
Environmental Stewardship	Energy Water	Internal and External	Direct
Climate Change*	Emissions	Internal and External	Direct
Sustainable Procurement	Procurement Practices	Internal and External	Direct and Indirect

Pillar 3: Enriching & Empowering Communities

Nurturing Future Generations	Indirect Economic Impacts Local Communities	Internal and External	Direct
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Cutting Across All Pillars

Financial Performance	Economic Performance	Internal and External	Direct
Indirect Economic Impact	Indirect Economic Impacts	External	Indirect

Notes:

* Material matters that cut across more than one Sustainability Pillar.

No GRI topic-specific disclosure, but management approach and/or non-GRI disclosure available - refer GRI Content Index

Assessing Our Material Matters

The Group's material matters are discussed below and the discussion describes why they are important to us, as well as what our responses are to mitigate or manage their effects.

MATERIAL MATTER	WHAT IT MEANS TO RHB	RELEVANT STAKEHOLDER GROUPS	RHB'S RESPONSE TO THE MATTER	
Sustainable Financing (previously Responsible Finance)	We are integrating ESG considerations into our lending, advisory and investment decision-making in order to manage and minimise negative impacts as well as promote sustainable development to create a positive impact through identified opportunities.	<ul style="list-style-type: none"> Shareholders & Investors Customers Business Partners 	<ul style="list-style-type: none"> Regulators & Policymakers Financial Industry Peers 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders IR: Risks & Opportunities SR: Sustainable Financing
Financial Inclusion & Education (previously Financial Inclusion)	We provide customers access to suitable, affordable and quality financial products and services that satisfy their needs and requirements. This includes promoting financial literacy among members of communities in underserved areas as well as the younger generation.	<ul style="list-style-type: none"> Shareholders & Investors Customers Business Partners 	<ul style="list-style-type: none"> Regulators & Policymakers Financial Industry Peers Communities 	<ul style="list-style-type: none"> IR: Our Value Creating Business Model SR: Sustainable Financing SR: Financial Education
Customer Relationship Management	We are committed to delivering service excellence to our customers in line with our Customer Service Charter and strive to gain the trust and confidence of our customers, ultimately helping them to achieve their goals. We offer innovative financial solutions and unique customer experiences by focusing on digital innovations, allowing us to provide simple, fast and seamless experiences.	<ul style="list-style-type: none"> Customers Business Partners Employees 	<ul style="list-style-type: none"> Regulators & Policymakers 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders SR: Customer Centric Banking
Data Protection & Cybersecurity	We have put in place a robust digital infrastructure, stringent controls and governance policies to protect customers' data privacy while continuously enhancing our cybersecurity capabilities to ensure a safe and secure environment for transactions and dealings.	<ul style="list-style-type: none"> Customers Business Partners Employees 	<ul style="list-style-type: none"> Regulators & Policymakers Financial Industry Peers 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders SR: Ethics & Governance
Fair Treatment of Financial Consumers (previously Fair Dealing)	We are committed to the fair treatment of our customers in the conduct of our business, as well as access to accurate and adequate information on the products and services they receive.	<ul style="list-style-type: none"> Customers Business Partners 	<ul style="list-style-type: none"> Employees Regulators & Policymakers 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders SR: Customer Centric Banking
Digitalisation and Investment in Technology	Our digital transformation journey aims to deliver convenience and create 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 consumption among customers.	<ul style="list-style-type: none"> Shareholders & Investors Customers 	<ul style="list-style-type: none"> Business Partners Employees 	<ul style="list-style-type: none"> IR: Group Managing Director's Statement IR: Our Value Creating Business Model SR: Digitalisation
Good Business Governance	The Group is committed to ensuring responsible behaviour and practices, both in the workplace and marketplace. We adopt transparency through disclosures on our approach to sustainability, how we manage such sustainability risks that arise from our business and operations and the sustainability-related opportunities that we support.	<ul style="list-style-type: none"> Business Partners Employees Regulators & Policymakers 		<ul style="list-style-type: none"> SR: Ethics & Governance
Risk Management	Effective risk management is fundamental in driving sustainable growth and key to the proactive risk management of our operating environment. The Group Risk Management Framework sets out the strategic direction for the management of risks within the Group and sets out our aspirations of achieving our long-term objectives for the development of risk management capabilities and infrastructure.	<ul style="list-style-type: none"> Business Partners Employees Regulators & Policymakers 		<ul style="list-style-type: none"> IR: Risks & Opportunities IR: Statement on Risk Management and Internal Control SR: Sustainable Financing
Dynamic Regulatory Landscape	It is essential for us to be able to respond swiftly and effectively to new developments in the market and the changing regulatory landscape. As a financial services provider, we consistently look at ways to strengthen our resilience in the face of increasing competition and to better combat new threats.	<ul style="list-style-type: none"> Shareholders & Investors Customers Business Partners 	<ul style="list-style-type: none"> Employees Regulators & Policymakers 	<ul style="list-style-type: none"> IR: Group Managing Director's Statement IR: Regional Market Landscape

Assessing Our Material Matters

MATERIAL MATTER	WHAT IT MEANS TO RHB	RELEVANT STAKEHOLDER GROUPS	RHB'S RESPONSE TO THE MATTER
Sustainable Procurement	We strive to ensure that our procurement practices are responsible, ethical, fair and transparent, reflecting the Group's commitment in promoting sustainable practices across its supply chain. As a large purchaser of goods and services, we can have a significant impact through the selection of sustainable and local suppliers.	<ul style="list-style-type: none"> Business Partners 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders SR: Sustainable Procurement
Talent Management	We continue to foster talent development while embedding sustainability practices in the management of our human capital. To ensure long-term growth for our business, we manage our diverse workforce by prioritising talent management, employee training and education, employee health and safety as well as diversity and equal opportunity.	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> IR: Group Managing Director's Statement SR: People & Workplace
Employee Training & Education	Our goal is to build a workforce that is future-proof, giving them the ability to stay relevant and agile while delivering the Group's FIT22 strategic priorities. We do so by equipping our employees with the right sets of development skills and tools to expand their professional growth and maximise their potential.	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> IR: Group Managing Director's Statement SR: People & Workplace
Employee Health & Safety	We are committed to providing and maintaining a safe and healthy work environment for all employees with employee wellness becoming an emerging priority. Employee wellness is important in order to keep employees motivated and agile and to ensure a healthy work-life balance for all.	<ul style="list-style-type: none"> Employees Regulators & Policymakers 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders SR: People & Workplace
Diversity & Equal Opportunity	Our ability to connect with customers and deliver excellent performance is fuelled by a diverse and inclusive workplace and culture. We are committed to equal opportunity and inclusivity across gender, age, ethnicity, differently abled and nationality.	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> IR: Our Value Creating Business Model SR: People & Workplace
Environmental Stewardship	We strongly advocate the responsible use of natural resources such as energy, water and paper and the minimisation of waste produced through sustainable practices. We have a role to play in encouraging eco-efficiency practices in our operations and business to minimise our own environmental impact.	<ul style="list-style-type: none"> Employees Regulators & Policymakers Communities 	<ul style="list-style-type: none"> IR: Our Value Creating Business Model SR: Environmental Stewardship
Climate Change (previously Emission Management)	The Group acknowledges the position and role it has in 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 customers and clients in the transition to a low-carbon economy and seizing opportunities created as a result of climate change.	<ul style="list-style-type: none"> Shareholders & Investors Customers Regulators & Policymakers Communities Financial Industry Peers 	<ul style="list-style-type: none"> IR: Engaging with Stakeholders SR: Environmental Stewardship
Nurturing Future Generations	The Group is committed towards nurturing and empowering children and youth towards achieving their full potential as well as nurturing the environment for future generations. Our approach is anchored on helping the underprivileged and we do so through three pillars – Education, Art & Culture and the Environment.	<ul style="list-style-type: none"> Business Partners Employees Communities 	<ul style="list-style-type: none"> IR: Our Value Creating Business Model SR: Community Enrichment
Financial Performance	As a financial services provider, we are committed towards promoting sustainable finance, by ensuring that our risk management processes integrate ESG considerations and are aligned to good practices. We are also guided by the distribution of value added through our business model to drive operational efficiency, innovation and value creation to stakeholders.	<ul style="list-style-type: none"> Shareholders & Investors Customers Business Partners Employees 	<ul style="list-style-type: none"> IR: Our Investment Case IR: Group Managing Director's Statement IR: Group Chief Financial Officer's Review SR: Financial & Non-Financial Highlights
Indirect Economic Impact	Indirect economic impacts are the additional consequences of the effects of financial transactions and the flow of money between an organisation and its stakeholders. Our impacts could be in the form of initiatives that facilitate business growth and infrastructure, contribute to the national agenda, provide employment opportunities or support local industry players.	<ul style="list-style-type: none"> Customers Business Partners Communities 	<ul style="list-style-type: none"> IR: Group Chief Financial Officer's Review SR: Financial & Non-Financial Highlights

Engaging with Stakeholders

RHB defines stakeholders as groups who affect and/or could be affected by the Group's activities, products or services and associated performance.

For the purpose of this report, the Group referred to Bursa Malaysia's Sustainability Reporting Guide (2nd edition) and AA1000 Stakeholder Engagement Standard 2015 to identify as well as re-evaluate previously identified key stakeholders.

STAKEHOLDER GROUP	ENGAGEMENT PLATFORM
<p>SHAREHOLDERS AND INVESTORS We provide our shareholders and investors with relevant information to make informed investment decisions about RHB as well as share with them our financial performance and the Group's strategic direction.</p>	<ul style="list-style-type: none"> - Annual and Extraordinary General Meetings - Analyst & fund managers meetings and briefings - Annual Reports/Integrated Reports - Sustainability Reports - Bursa Malaysia announcements - Quarterly and annual financial results announcements - Online communications (email, corporate website, social media) - Meetings/discussions (upon request) - Roadshows and conferences
<p>CUSTOMERS A key winning formula that differentiates us from our competitors is our capability in building trust, delivering convenience and creating value for our customers. We interact with customers to better understand their requirements so that we can propose the right financial solutions for them.</p>	<ul style="list-style-type: none"> - Online communications (email, corporate website, social media) - One-to-one meetings - Group meetings - Relationship Manager engagements - Customer networking events - Surveys and focus groups - Seminars and forums - Interaction programmes - Resolution Management discussions - Customer advocacy - Call centre
<p>BUSINESS PARTNERS In driving business performance and delivering superior products and services to our customers, we engage our business partners in strategic alliances to capitalise on mutually beneficial business opportunities in the market.</p>	<ul style="list-style-type: none"> - Company visits - Formal & informal engagements - Online communications (email, corporate website and social media) - Tender process and supplier feedback mechanism - Solution Co-Design Workshops - Certification and immersion programme with industry leaders and experts

The re-evaluation led to a new stakeholder group, Financial Industry Peers, being added to the list of stakeholder groups. The Group takes an inclusive and systematic approach to engaging with our various stakeholders to better understand and respond to their needs and concerns.

STAKEHOLDER CONCERN/EXPECTATION	RHB'S RESPONSE TO CONCERN/EXPECTATION
<ul style="list-style-type: none"> - Resilient revenue growth and cost management - Asset quality and management of credit risk - Integration of ESG matters into the Group's core business and operations - Ethical and responsible business practices - Corporate governance - Dividend payout 	<ul style="list-style-type: none"> - Ensuring timely and comprehensive disclosures - Emphasising liquidity and capital management to support growth - Putting in place strong corporate governance policies and ensuring adequate Board oversight - Appointment of five Independent Non-Executive Directors and one Senior Independent Non-Executive Director to the RHB Bank Berhad's Board - Putting in place a robust Sustainability Framework with clear action plans to integrate ESG matters into the Group's core business and business operations
<ul style="list-style-type: none"> - Fair treatment and fair conduct of business dealings - Personalised financial advice and solutions with quick and convenient banking options - Cybersecurity and having a safe environment in which to conduct banking activities 	<ul style="list-style-type: none"> - Ensuring products and services are delivered in line with BNM's Fair Treatment of Financial Consumers ("FTFC") Policy - Strengthening digital propositions to deliver enhanced customer experiences and enhancing financial accessibility - Driving service excellence through the RHB Way Service Culture initiative and increasing the NPS score from 0 in 2018 to +9 in 2019 - Reviewing customer contracts and legal documents to simplify the language used and to reduce banking & legal jargon - Putting in place frameworks and policies relating to cyber resilience and continuously strengthening IT security. We also subscribe to threat intelligence services and organise mandatory IT security awareness training for employees - Achieving ISO/IES 27001 Information Security Management Systems re-certification of our core e-Banking systems
<ul style="list-style-type: none"> - User-friendliness of e-Procurement System - Fair evaluation of vendor proposals - New policies and guidelines that may affect vendors' performance 	<ul style="list-style-type: none"> - Conducting engagement sessions covering topics on guidelines and procedures, the sales and service tax, supplier performance, payment-related matters and contract renewal. These engagement sessions reiterate our commitment towards sourcing transparently and maintaining fair practices - Conducting training on an annual basis, as part of the support infrastructure provided for RHB's network of suppliers - Conducting visits to the office premises or sites of our Business Partners to provide a good understanding of our Business Partners' working environment and work culture, business continuity management and system infrastructure

Engaging with Stakeholders

STAKEHOLDER GROUP	ENGAGEMENT PLATFORM	STAKEHOLDER CONCERN/EXPECTATION	RHB'S RESPONSE TO CONCERN/EXPECTATION
<p>EMPLOYEES We are committed towards being a preferred employer with a highly productive, agile and engaged workforce that delivers exceptional service to customers. Employee engagement is a critical driver of business success in today's competitive marketplace.</p>	<ul style="list-style-type: none"> - Intranet (My1Portal and MyLink2HR) and email - RHB's internal social media channel, Workplace by Facebook, and recognition via ThanksBot - Social, sports and recreational activities - Engagement sessions during festive seasons - Annual Employee Engagement Survey and Internal Customer Effectiveness Survey - Formal and confidential grievance channel - Formal meetings - GMD Chat Sessions and Townhalls conducted across the region - Senior Leadership Forum 	<ul style="list-style-type: none"> - Employees' goals and objectives - Rewards and recognition - Sustainable engagement - Work organisation - Career development - Learning and development 	<ul style="list-style-type: none"> - Conducting regional roadshows to share the Group's five-year strategic roadmap and achievements - Conducting salary benchmarking exercise for comparison against the market - Conducting a quarterly Senior Leadership Forum to share with senior leaders the Group's strategic performance and achievements and to provide status updates on key initiatives - Conducting a robust Employee Value Proposition programme to attract and retain talents - Conducting an Employee Engagement Surveys ("EES") on an annual basis as a way to gauge employees' level of satisfaction and obtain feedback on areas for improvement. In 2019, the EES score improved from 84 to 90 - Rolling out Agile@Scale and robotics process automation ("RPA") to remove barriers at work and increase productivity
<p>REGULATORS & POLICYMAKERS We actively engage with regulators on matters that impact our business and operations.</p>	<ul style="list-style-type: none"> - Regular updates and reporting to regulators - Actively participating in and contributing to industry and regulatory working groups, briefings, forums, conferences and consultation papers - Engaging with regulators to consult and seek directives on implementation of new policies, decisions or regulatory frameworks 	<ul style="list-style-type: none"> - Effective management of the Group's overall compliance risk - Integration of ESG matters into the Group's core business and operations - Progress against value-based intermediation ("VBI") - Good corporate governance - Ethical and responsible business practices - Asset quality - Policies and regulations 	<ul style="list-style-type: none"> - Strengthening Board and Management oversight - Integrating ESG considerations into risk management practices - Developing ESG Risk Assessment for sectors that have ESG vulnerabilities - Continuously improving and strengthening compliance functions, including implementing new measures and putting in place new systems to enhance the Group's overall compliance risk governance
<p>COMMUNITIES We actively engage with communities, particularly children and youth from the underprivileged and underserved segments.</p>	<ul style="list-style-type: none"> - Collaboration and partnerships with non-profit organisations, associations or government organisations through RHB's community engagement initiatives - Focus group discussions with related government bodies and NGOs - Online communications (emails, corporate website and social media) - On-ground community engagement initiatives - Innovative digital platforms to promote financial accessibility 	<ul style="list-style-type: none"> - Promotion of financial literacy - Access to financing - Empowerment of the underserved and underprivileged 	<ul style="list-style-type: none"> - The Money Ma\$ter Programme is a structured financial literacy programme, reaching out to more than 10,000 students annually and to educate them on how to manage their finances - Promoting access to financing through digitalisation - Nurturing and empowering children and youth from underprivileged segments through our RHB X-Cel Academic Excellence and RHB X-Cel Star Scholarship programmes
<p>FINANCIAL INDUSTRY PEERS With our financial industry peers, we pursue industry-wide improvements through discussions and consensus on financial industry matters.</p>	<p>Industry organisation meetings/sessions with:</p> <ul style="list-style-type: none"> - Association of Banks in Malaysia - Association of Islamic Banking and Financial Institutions of Malaysia - Malaysian Investment Banking Association - Persatuan Insurans Am Malaysia 	<ul style="list-style-type: none"> - Impacts of regulatory changes and climate change reporting initiatives by Bank Negara Malaysia - Emergence of virtual banks - Integration of ESG matters into the Group's core business and operations - Customer experience - Fraud risk - Compliance matters 	<ul style="list-style-type: none"> - Integrating ESG matters into the Group's core business and operations - Continuously discussing with our peers the impacts of new policies and guidelines, as well as how to combat risks associated with fraud and money-laundering

Sustainable & Responsible Banking

- Sustainable Financing

Sustainable and responsible banking is fundamental to the long-term growth of the Group and the banking industry, particularly in financing activities related to Environmental, Social and Governance (“ESG”) factors and promoting sustainable development.

ESG Risk Management

We promote sustainable financing* by ensuring that our risk management processes integrate ESG considerations. The Group Risk Management Framework sets out the strategic direction for the management of risks within the Group. ESG-related guidelines and assessments have been incorporated as part of our ESG risk management processes and will be reviewed and enhanced periodically over time as we continue to strengthen our sustainability practices together with our stakeholders.

Environmental risk is incorporated in the Group’s Material Risk Assessment. Environmental risk is defined as risk of credit loss, revenue loss or loss from RHB’s own operations arising from environmental issues including climate risk (i.e. physical or transition risk) or man-made environmental disasters (e.g. pollution). These risks may also arise indirectly through our customers, clients or investee operations.

The list of ESG risk-related activities under prohibited credits and the list of sectors defined as ESG Sensitive Sectors have been endorsed by the Board in 2019 and are to be first implemented for RHB Banking Group operations in our dominant market, Malaysia.

We will progressively roll out the integration of ESG in risk management for our regional operations.

Prohibited Credits

As part of the Group’s ESG risk management and in accordance with the Group’s enhanced Credit Policy, the Group shall not knowingly finance and shall be selective in conducting its business and dealings with customers or counterparties whose activities contravene local and international standards, law, regulations, as well as activities that could have a significant adverse impact on the environment, social and governance. A list of ESG risk-related activities has been identified and this has been categorised under Prohibited Credits. For existing customers whose business activities fall within the category of Prohibited Credits, appropriate mitigation action shall be taken, which includes capping and reducing the exposure.

THE FOLLOWING IS THE LIST

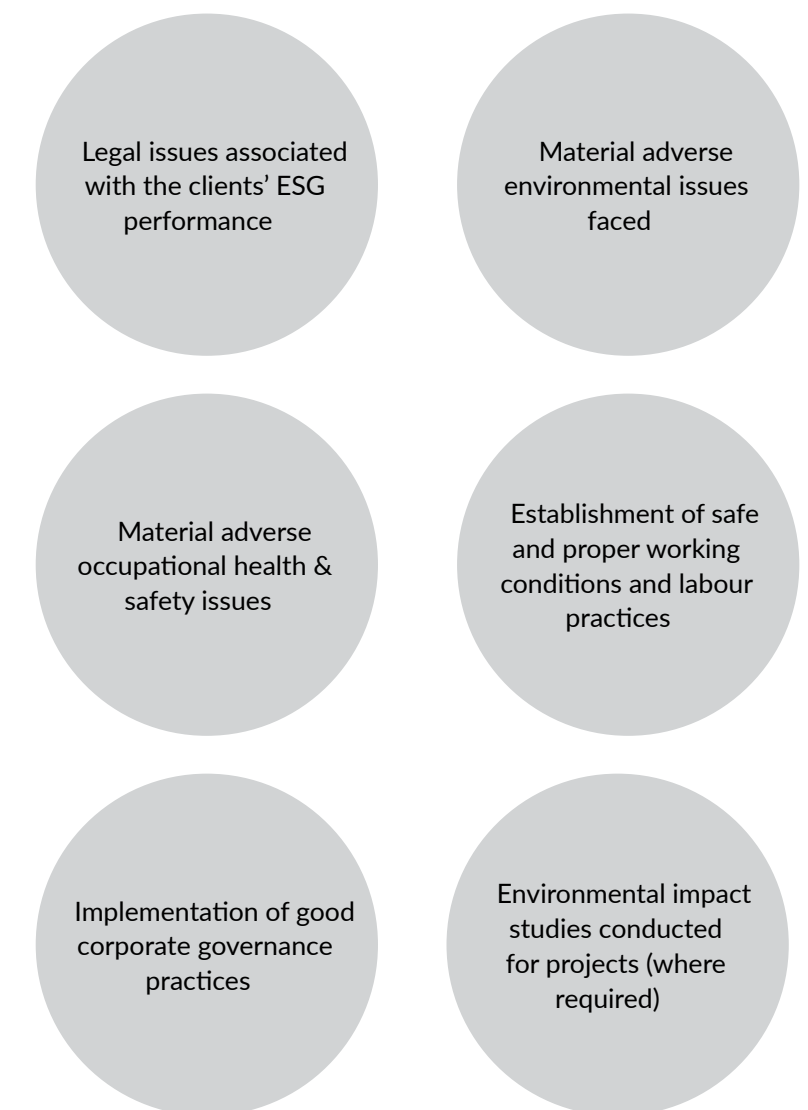
OF PROHIBITED CREDITS:

- Individuals or corporations whose activities contravene the law.
- Individuals or corporations charged with or found guilty of an offence under the anti-money laundering (“AML”) laws/ regulations.
- Individuals or corporations suspected to be involved in money laundering/ Counter Financing of Terrorism (“CFT”) and has been established to have AML/CFT risk following enhanced due diligence.
- Individuals or corporations involved in trade of wildlife or wildlife products regulated under country or international standards (e.g. Convention on International Trade in Endangered Species of Wild Fauna and Flora)
- Individuals or corporations involved in production or trade in or use of unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Individuals or corporations involved in production or activities involving harmful or exploitative forms of forced labour / harmful child labour.
- Individuals or corporations involved in production or trade in radioactive materials. This does not apply to purchase of medical equipment, quality control (measurement) equipment and any other equipment which are permissible according to local or national law or regulations.
- Individuals or corporations involved in the production or trade in firearms, weapons and munitions, with the exception for Malaysian national defense purposes.
- Individuals or corporations involved in the production or trade in pornography and prostitution.
- Individuals or corporations involved in activities that could damage any heritage sites listed under country national heritage or UNESCO World Heritage Sites.

ESG Sensitive Sectors

Sectors that have ESG vulnerabilities are classified as ESG Sensitive Sectors. In identifying the ESG Sensitive Sectors, we are guided by the sectors that have been categorised by the International Finance Corporation (“IFC”) / World Bank as “High Risk” and sectors that have been under intense spotlight on ESG issues within the region.

The ESG Risk Assessment (“ERA”) tool comprising General and Industry Specific Criteria are developed for these sectors. The General ERA is applicable to all ESG Sensitive Sectors and shall focus on the following:

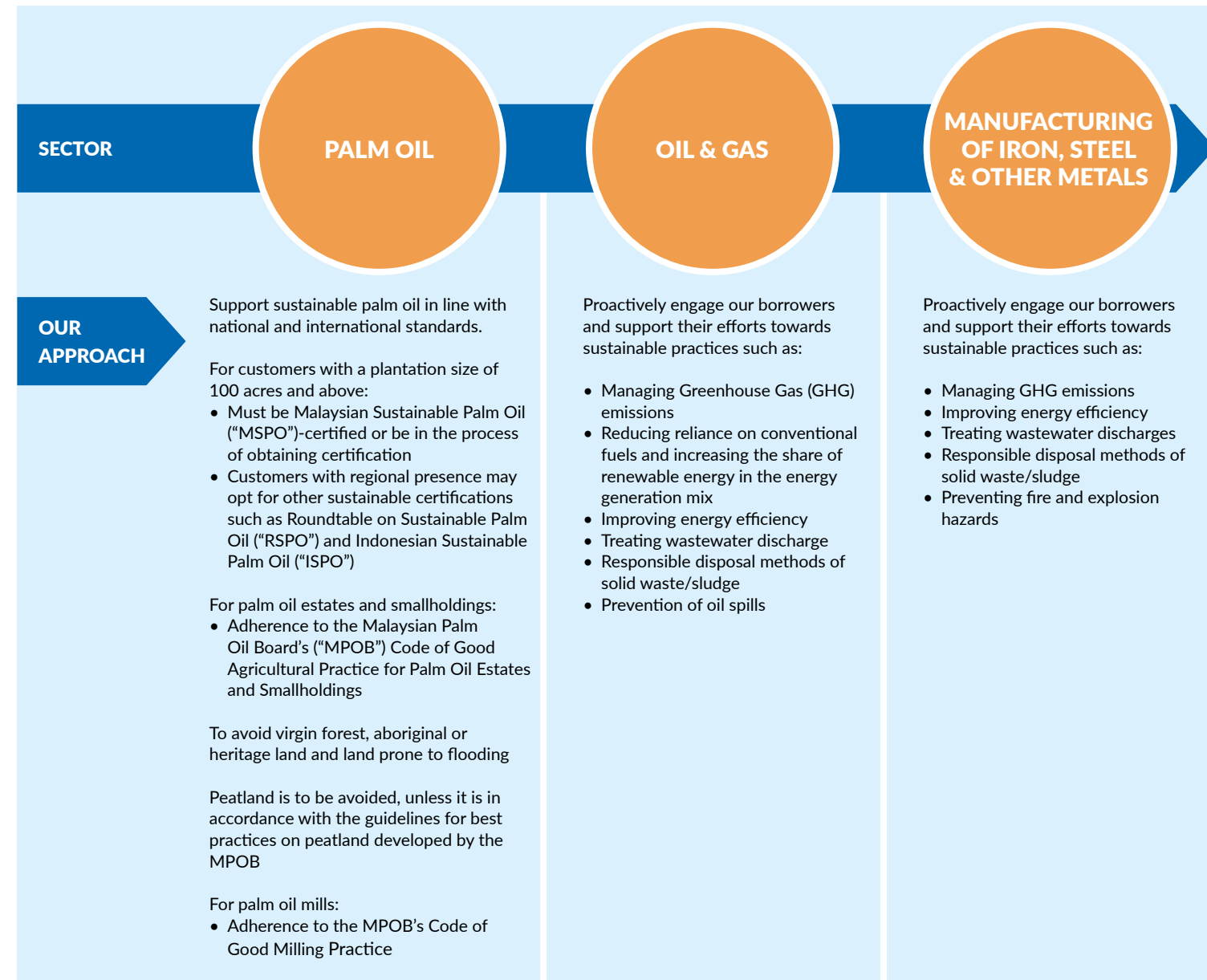


Note:
* Sustainable financing means financing solutions and product offerings that integrate ESG considerations and contribute towards sustainable development.

Sustainable & Responsible Banking

- Sustainable Financing

Industry-Specific ERAs have been developed for the following sectors – Palm Oil, Oil & Gas and Manufacturing of Iron, Steel & Other Metals:



We assign an ESG risk rating of "Low", "Medium" or "High" to our clients that reflects the extent to which they have met the General ERA and Industry-Specific ERAs. Further time-bound mitigation action plans may be imposed on clients, depending on the ESG risk rating being assigned.

Industry-Specific ERAs for the remaining ESG Sensitive Sectors with material and significant exposures will be progressively developed and will take into consideration the development of local/regional standards.

Raising Awareness on Sustainable Palm Oil

In 2019, we invited the Malaysian Palm Oil Certification Council ("MPOCC") to share and raise awareness on the requirements of the MSPO Scheme with our employees including Relationship Managers.

As nations progress and move towards achieving the UN SDGs, financial institutions are expected to be part of the journey by embarking on sustainable development projects. In Malaysia, the Sustainable Energy Development Authority ("SEDA") has estimated that about RM35 billion is needed from private sector financing to realise the national target of 20% installed capacity of renewable energy by 2025.*

The Group is committed to contribute and create positive impact through identified opportunities in the area of sustainable development. Our key focus is to support green activities. The Group is committed to extend RM5 billion by 2025 to support green activities and transition to a low-carbon and climate-resilient economy through either lending, advisory and/or investment activities.** We have extended RM2.8 billion to support green activities as at 31 December 2019.

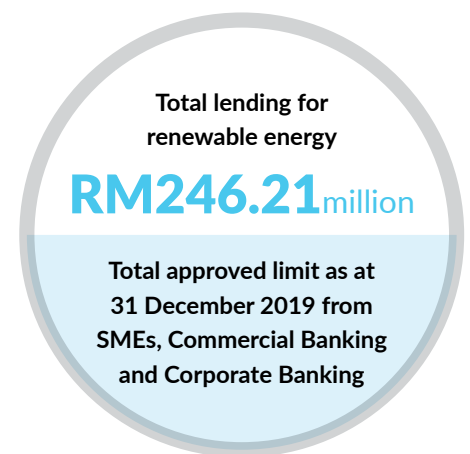
Sustainable Lending

The Group strives to provide sustainable financial solutions to our customers and engage them on key matters, including but not limited to ESG considerations, as well as advocating for the adoption of more sustainable practices and green activities.

This year, our Group Corporate Banking approved a total of RM205.3 million in loans for renewable energy projects, supporting loan growth in line with the Group's Sustainability Framework which incorporates ESG risk management. To this end, we regularly engage with our clients to understand their corporate sustainability practices or strategies and support their contributions towards a low-carbon economy. For instance, we partially financed solar photovoltaic ("PV") projects in Malaysia.

The Group will continue to support the Malaysian government's Green Technology Financing Scheme ("GTFS") as a participating financial institution to facilitate lending to green technology companies. GTFS is an initiative that was introduced in 2010 and has been extended until 2022. The projects RHB has financed under GTFS include a 3.2MW biogas-fuelled electricity generation facility (from the palm oil sector) and a 2MW renewable energy power plant using methane gas from landfill sites.

Our approach to financial inclusion involves empowering our customers and businesses through the products and services that we offer. In this respect, the Group leverages on its Community Banking model and utilises digitalisation as a way to enable access to finance, where feasible.



Note:

* Bank Negara Malaysia, Assistant Governor's Speech at the IFN Green and Sustainable Finance Forum, accessed 22 January https://www.bnm.gov.my/index.php?ch=en_speech&pg=en_speech&ac=845&lang=en

** Eligibility of identified green activities is based on the examples provided by the Green Bond Principles, the Green Loan Principles or the Sustainable and Responsible Investment ("SRI") Sukuk Framework.

Sustainable & Responsible Banking

- Sustainable Financing



DATO' KHAIRUSSALEH RAMLI
Group Managing Director

The Community Banking initiative will be progressing from behavioural change to driving tangible customer service and sales improvement, and will also involve the initiation of branch network repurposing and process re-engineering to focus on sales, services and advisory."

Community Banking

Contributing to sustainable and responsible banking also means promoting financial inclusion, enabling all segments of society to have financial access and meeting the needs of the various communities we serve. Our branches play a significant role in reaching out to society through our Community Banking initiatives.

Although banking services have been enhanced with digitalisation, we believe human touchpoints remain relevant in delivering remarkable customer experience. The Branch Managers, Relationship Managers and front desk officers at our branches continue to play a pivotal part in enhancing customer satisfaction throughout the customer journey.

We have put in place a structured Community Banking engagement model to cater to the needs of the various segments of the communities within which we operate. Community Banking allows us to address a wide spectrum of segments and communities, from Retail customers, SMEs and Corporate clients to government agencies, universities, schools and trade associations.

OUR COMMUNITY

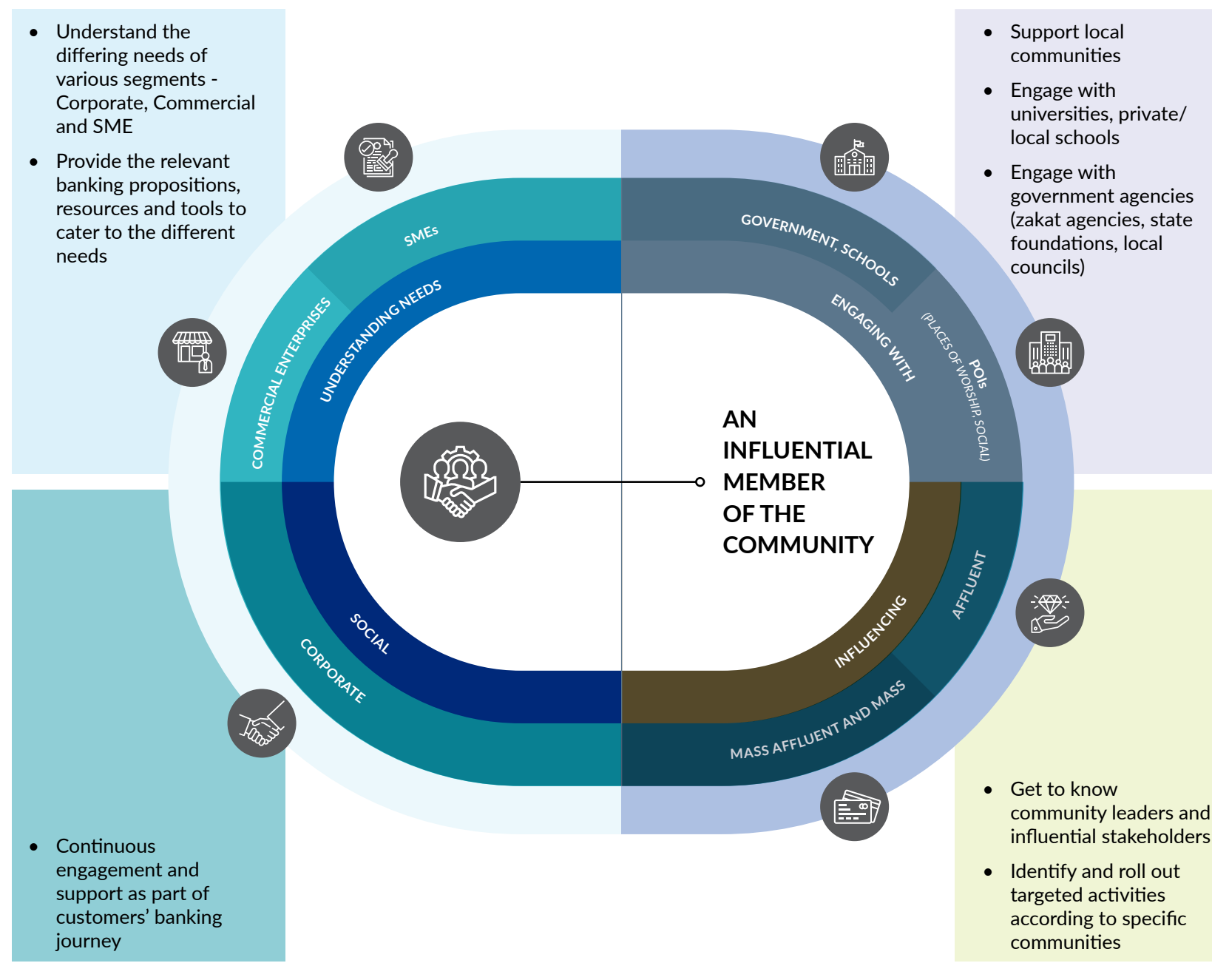
- Understand the differing needs of various segments - Corporate, Commercial and SME
- Provide the relevant banking propositions, resources and tools to cater to the different needs

- Continuous engagement and support as part of customers' banking journey

BANKING MODEL

- Support local communities
- Engage with universities, private/ local schools
- Engage with government agencies (zakat agencies, state foundations, local councils)

- Get to know community leaders and influential stakeholders
- Identify and roll out targeted activities according to specific communities



In 2019, we launched a structured Community Banking Programme to drive engagement culture in branches. Structured in three levels—Fundamental, Intermediate and Advanced—the programme was prescribed with activities and financial deliverables to be achieved. The performance of each branch was measured according to its adoption rate of the programme.

As of end-2019, out of 210 branches, more than 70% have progressed to the Intermediate level, while more than 20% qualified for the Advanced level in Q4 2019.



RHB defines Community Banking as "becoming an effective business leader in the community by understanding the needs of the various segments in the community, engaging with them consistently and structurally, as well as successfully penetrating the businesses of the relevant segments."

Branch Managers, being the CEOs of the branches, are expected to deliver service, operational and sales excellence. The Group ensures a comprehensive Branch Manager Competency training programme is in place to upskill the Branch Managers into excellent community bankers.

Branch Managers are required to attend a structured training programme to enhance their leadership and technical skills. Examples of the training modules are as follows:

- SME Credit Development Pathway
- Relationship Management
- Macroeconomic & Capital Market
- Credit Evaluation for BMs
- Winning Presentation Skills

To learn more about the full listing of training and development programmes for Branch Managers, please turn to Employee Training and Education on page 66.

Other than the structured training programme, we have platforms and activities in place to engage with the local community and gather feedback. Engagement activities such as "Chat Over Teh Tarik" and "Getting To Know SME Financing and Connected Ecosystem" are great vehicles to serve the communities and meet their banking needs. "Paint the Town Blue" is another community engagement initiative for RHB to better understand the local communities where we operate.

Please turn to page 93 for information on Getting To Know SME Financing and Connected Ecosystem.

Sustainable & Responsible Banking

- Sustainable Financing

Homeownership Journey

We aspire to help our customers realise their dream of owning a home and attain successful homeownership. We do this by empowering our customers through the RHB Homeowners Ecosystem that provides customers with end-to-end access to solutions for buying and owning a home on a single platform. The Homeowners Ecosystem, which eases the process of homeownership, enables RHB to play the pivotal role of a bank in supporting the government's commitment to offer adequate housing for all income levels.

RHB Homeowners Ecosystem



RHB Bank adopts a holistic approach in delivering a superior customer journey, from finding a house to obtaining a perfect home. Our Homeowners Ecosystem helps ease our customers' homeownership journeys, especially for first-time house buyers. RHB Bank orchestrates these journeys by providing two distinct platforms encompassing pre-purchase and post-purchase ecosystems, namely the RHB MyHome App, which was first launched in November 2017, and our latest addition to the ecosystem—the RHB MyHome website.

About the RHB MyHome website



- An all-in-one platform designed to ease the moving-in experience for a homebuyer, it is the first website of its kind in the industry
- It connects homeowners with home solutions providers offering services such as renovation, interior design, cleaning, lighting and wiring, plumbing and air-conditioning
- RHB collaborates with established partners (Signature Kitchen and Kaodim) to offer home packages at special prices to existing RHB mortgage customers
- RHB will continue to enhance the ecosystem website in phases by extending its collaboration to include more partners and new offerings
- In addition, the website allows customers to access other selected products such as credit cards, mortgages and personal loans

Potential homeowners and customers are also able to access financing aid through RHB's MyHome App, a mobile application that delivers an end-to-end digital mortgage application journey.

About RHB MyHome App

- Launched in 2017, the app allows customers to:
 - apply for a home loan online
 - receive approval-in-principle of their applications
 - submit supporting documents
 - track their application status
- The app doubles up as an educational tool to provide key information such as pricing, financing eligibility and purchase of properties
- The first innovation of its kind in ASEAN, the RHB MyHome App has been instrumental in driving RHB's mortgage revenue and delivering the convenience of applying for a home loan on a mobile device to homebuyers



As of December 2019, through the RHB MyHome app, RHB achieved close to 20% of digital mortgage acceptance from its pool of mortgage business.

Fund for Affordable Homes

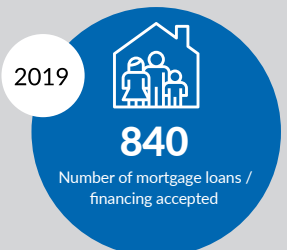
RHB was appointed as one of the five participating banks to offer housing loans to qualified Malaysians under BNM's Fund for Affordable Homes financing scheme. The scheme is part of the government's initiatives to boost homeownership among Malaysians. Leveraging on our nationwide branch network and direct sales teams, we engage with the targeted segments on the benefits of the scheme, particularly low-income first-time homebuyers.

This further enables us to offer quality and affordable financial services and products that meet the needs of the unbanked and underserved community, in line with our Sustainable and Responsible Banking pillar, as we contribute to the nation's overall development.

What is BNM's Fund for Affordable Homes?

BNM's Fund for Affordable Homes is a financing scheme that helps low-income first-time homebuyers. Launched in 2019, the funding scheme is valued at RM1 billion and is available for two years or until it is fully utilised. The RM1 billion is meant to fund the difference between market interest rates and the financing scheme's loan rate, which is capped at 3.5%.

In 2019, RHB empowered 840 new homeowners through its home financing offered under the fund.



While fulfilling BNM's Fund for Affordable Homes scheme allocation, we continued to offer the following products to support homeownership among Malaysians:

- Conventional**
- My1 Full Flexi Home Loan
 - RHB My1 First Home Loan (Skim Rumah Pertamaku)
 - RHB My1 Standard Term Home Loan
 - RHB My1 Affordable Home Loan
 - RHB My1 Commitment Home Loan
 - RHB My1 Term Cash Out Home Loan with Redraw—Full Flexi
 - RHB My1 Term Cash Out Home Loan—Without Semi Flexi

- Islamic**
- Equity Home Financing-i
 - Commodity Murabahah Term Financing-i ("CMTF-i") for Home
 - Commodity Murabahah Term Financing-i ("CMTF-i") for Home (Full Flexi)

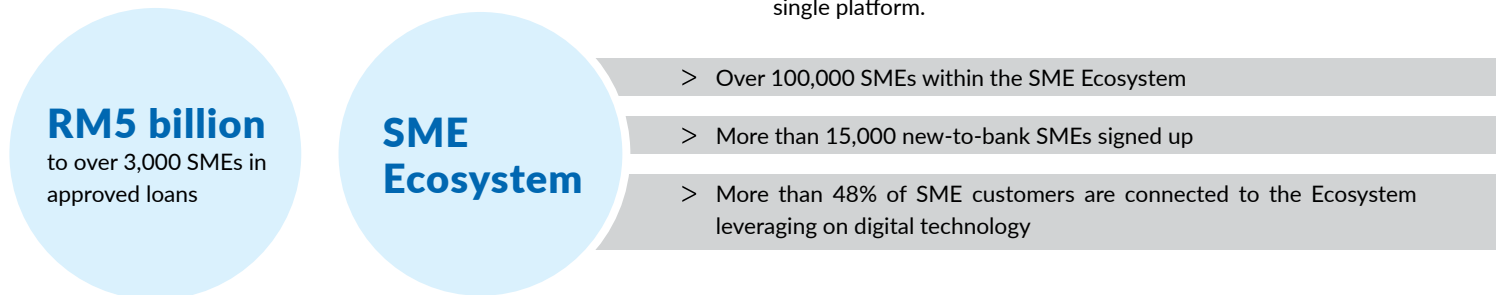
Sustainable & Responsible Banking

- Sustainable Financing

Supporting the Growth of SMEs

The SME segment plays a crucial role in driving economic growth in the ASEAN region. In Malaysia, SMEs make up 98.5% of all business entities and contributed 38.3% to Malaysia's GDP in 2018, on track to achieve a 41% contribution by 2020.

RHB Banking Group brings value to SMEs and strives to include them in the financing mainstream. We aspire to be the preferred SME bank in Malaysia by 2022. Our focus has been on improving the SME financing landscape, in terms of promoting financial access and inclusion, efficiency and convenience. This has resulted in the creation of RHB's SME Ecosystem, which enables our SMEs to perform their daily transactions seamlessly and provides them with a hassle-free journey to finance on a single platform.



Focus on the SME Ecosystem – Solutions Beyond Banking

The Group established the first holistic SME Ecosystem in Malaysia with integrated connectivity by partnering technology solution providers with ecosystem partners. Our approach in the SME Ecosystem is premised on three planks:

Improve access to financing	Increase efficiency and reduce cost of operations	Enable SMEs to focus on growing their business
<p>RHB SME e-Solutions It is critical that local SMEs automate and digitalise their business operations to drive productivity and growth – and many small & micro SMEs face problems with how to approach this. As such, we are the first Malaysian bank to offer direct Application Programming Interface (“API”) connectivity with third-party solution providers to automate operational and administrative processes and provide for seamless user experience. SME e-Solutions offers value-added features to our SME customers such as point-of-sale, payroll and accounting and cash management solutions by collaborating with cloud-based technology partners, such as:</p> <ul style="list-style-type: none"> With account software company Financio, we connect ourselves more closely with our customers, enabling them to: <ul style="list-style-type: none"> Retrieve real-time bank balances and initiate payments via their accounting software Automate reconciliation via two-way bank feeds View accounting dashboards in RHB Reflex With HR solutions company Kakitangan, we provide a human resource management system to our customers to assist with leave management, salary payments as well as statutory payments. Payments are made from Kakitangan as it is integrated with RHB Reflex With StoreHub, we provide a point-of-sales system that is integrated with RHB's merchant terminal, which eases reconciliation for our retail customers 	<p>RHB Reflex & Reflex Mobile Cash Management An integrated online service combining cash management, trade and payment solutions</p>	<p>RHB Financial Supply Chain (“FSC”) Offers business solutions that optimise working capital and provide liquidity to businesses through ecosystem financing. Suppliers and retailers can also perform payments for goods and services through RHB's platforms</p>
<p>RHB SME Online Financing and Online Business Current Account Opening A customer self-initiated online loan application portal that allows small businesses to apply for financing in a few minutes and receive cash within a few days. To date, we have processed more than 1,500 applications and disbursed approximately RM70 million in FY2019</p>		

To learn more about our Group Business and Transaction Banking (“GBTB”) and SME Ecosystem, please refer to page 67 in RHB's Integrated Report 2019

Through our participation in government schemes in our main market, Malaysia, the Group continues to assist deserving SMEs to have access to finance through our partnerships with Syarikat Jaminan Pembiayaan Perniagaan Berhad (“SJPP”) and Credit Guarantee Corporation Malaysia Berhad (“CGC”).

Partnering with SJPP
Syarikat Jaminan Pembiayaan Perniagaan Bhd

- SJPP is a company under the Ministry of Finance, Malaysia that provides government guarantee schemes for SMEs
- RHB disbursed RM1.1 billion to start-ups in 2019 through SJPP
- RHB was recognised as the top contributor in the industry for the second consecutive year in 2019 and won the “Top Performance Award”

Working with CGC
Credit Guarantee Corporation Malaysia Bhd

- First bank in Malaysia to partner with CGC under their Wholesale Guarantee Islamic (“WG-I”) Bumi, a scheme that supports Bumiputera SMEs – commenced 18 August 2017 with portfolio size of RM50 million
- First local bank to offer a Financial Supply Chain Portfolio Guarantee (“FSC PG”) under Conventional and Islamic (under the non-financial model). The FSC PG is for SMEs to obtain financing through invoice financing for working capital with a guarantee provided to the bank upfront on a portfolio basis:
 - The Conventional tranche commenced on 9 March 2016 with a tranche of RM50 million
 - The Islamic tranche commenced on 3 June 2019 with a tranche of RM50 million
- Exclusively for RHB Bank, BIZMAJU (formerly known as Enhancer Excel) allows viable SMEs with no adequate track record and/or collateral to apply for a credit facility directly with CGC, funded by RHB with a 100% guarantee from CGC. Since commencement on 16 August 2013 with a portfolio size RM100 million, the portfolio has been fully utilised with any facilities paid down replenished to provide additional facilities. Currently, the remaining balance is RM27 million.

Assisting SMEs with Overseas Growth

Most SMEs today are reliant on the local market and while SMEs know that exporting can be beneficial to them, they do not always feel they have the confidence, the know-how or the support to take the first step. Therefore, besides the various trade facilities for SMEs, we go further in supporting our customers by providing them with access to our Trade Infolink portal, giving SMEs access to an international network as well as exporting know-how to grow their businesses.

To raise awareness about what we are doing, we collaborate with many stakeholders and government agencies. We are one of the participating financial institutions in BNM's Karnival Kewangan roadshows held nationwide. We also work closely with several government agencies, namely SME Corporation Malaysia (“SME Corp”), IRDA, TERAJU, SJPP and CGC. Further, we participate in roadshows, trade exhibitions and briefing sessions for SMEs nationwide via the Malaysia Retail Chain Association (“MRCA”), SME Association of Malaysia (“SMEAM”) and The Star Outstanding Business Awards (“SOBA”).

Looking Ahead

In 2020, SMEs can look forward to a new digital onboarding experience that will allow them to apply for financing through digital mobile apps and a wider e-Solutions partnership base to help them with operational matters. Meanwhile, we will continue to promote our export financing facility to SME exporters.

Sustainable & Responsible Banking

- Sustainable Financing

Sustainable Advisory and Investment

Public sector financing alone is insufficient and the deployment of private sector investments by leveraging the capital markets is crucial in financing sustainable development needs.

We aim to increase the establishment and issuance of green bonds/sukuk as well as sustainable and responsible investment ("SRI") bonds/sukuk in the Malaysian capital market space. The Group's involvement in the green and SRI bonds/sukuk market is guided by the following publicly endorsed principles or frameworks:

- Green Bond Principles ("GBP") developed by the International Capital Market Association
- ASEAN Green Bond Standards ("ASEAN GBS") developed by the ASEAN Capital Markets Forum
- Sustainable and Responsible Investment ("SRI") Sukuk Framework developed by the Securities Commission of Malaysia ("SC")

The above approach is in line with and supports SC's SRI Roadmap for the Malaysian capital markets.

Merdeka ASEAN Green SRI Sukuk Programme

PNB Merdeka Ventures Sdn Bhd's ("PNM") Merdeka ASEAN Green SRI Sukuk Programme was the maiden sukuk programme established under the ASEAN Capital Markets Forum's ("ACMF") ASEAN Green Bond Standards.

2017

- The programme adopts the Shariah principles of Murabahah via Tawarruq arrangement and Wakalah.
- The issue proceeds are utilised to partly finance the total cost of the office tower and the infrastructure works relating to Menara PNB 118, which will form part of Warisan Merdeka, an approximately 40-acre development project near the historic Stadium Merdeka and Stadium Negara enclave, and which will consist of Menara PNB118, a tower hotel, an observation deck, a retail mall and serviced apartments. The total estimated project cost is RM8.1 billion. Upon completion in 2021, the building will be the first in Malaysia to achieve the triple green building platinum accreditations locally and internationally.
- Joint Lead Arranger and Joint Lead Manager: RHB Investment Bank Berhad completed the establishment of the Merdeka ASEAN Green SRI Sukuk Programme of up to RM2.0 billion in nominal value on behalf of PNM.
- Subscriber: RHB Islamic Bank Berhad is one of the subscribers of the Merdeka ASEAN Green SRI Sukuk Programme with a total subscription amount of RM92.0 million.
- The first issuance of RM690.0 million under the Merdeka ASEAN Green SRI Sukuk Programme in December 2017 is through private placement for tenures ranging from five to 15 years.

2019

- Joint Lead Arranger and Joint Lead Manager: As at end-2019, RHB Investment Bank Berhad completed three issuances under the Merdeka ASEAN Green SRI Sukuk Programme amounting to a total of RM1.57 billion with tenures ranging from five years up to 15 years.
- Subscriber: RHB Islamic Bank Berhad's total subscription amount is RM210.0 million.

Pasukhas Green Assets' ASEAN Green SRI Sukuk Programme

2019

- The programme adopts the Shariah principles of Wakalah Bi Al-Istithmar and Murabahah via Tawarruq arrangement.
- Proceeds from the ASEAN Green SRI Sukuk issuance are used, among others, to fund the acquisitions of Eligible SRI Projects; the capital expenditure which includes the construction of Eligible SRI Projects; and to repay/refinance the ASEAN Green SRI Sukuk.
- Part of the proceeds from the first issuance of the ASEAN Green SRI Sukuk are utilised towards the refinancing of a facility obtained for the construction of a 3.2MW small hydro run-of-river hydropower plant located in Kuala Krai, Kelantan.
- Total issuance in 2019 is RM17 million.
- Sole Principal Advisor, Sole Lead Arranger and Sole Lead Manager: RHB Investment Bank Berhad also completed the establishment of the ASEAN Green SRI Sukuk Programme of up to RM200.0 million in nominal value on behalf of Pasukhas Green Assets Sdn Bhd, the wholly-owned subsidiary of Pasukhas Group Berhad.

Way Forward for Advisory

To further contribute to sustainable market offerings and the climate change agenda, RHB seeks to continuously advise clients on green bonds/sukuk as well as SRI sukuk fundraising exercises. Going forward, we also plan to participate in sustainability or ESG forums to increase RHB's profile in this market segment.

Our Asset Management business embeds ESG considerations into its investment process in order to make an informed investment decision as investors, both retail and institutional, are increasingly looking into how they can connect financial returns with purpose.

As a first step, we utilise an Internal ESG Scorecard that is further supplemented with an external scoring system in evaluating the Global Equity Buylist. This scorecard complements fundamental investment research and forms part of the ongoing review for all investee companies. We take a continuous engagement approach with investee companies on ESG concerns, with greater emphasis on corporate governance.

We are currently developing an ESG Investment Framework, which will formalise the incorporation of ESG factors into our investment evaluation process and will be aligned to the Group's Sustainability Framework.

The Group will also strive to advocate thought leadership through its engagement with various stakeholders on sustainability and ESG matters. For instance, we have been engaging with various stakeholders on key sustainability and ESG issues including the development of our investment framework, challenges faced by the investment community, engagement with investee companies to raise awareness and the development of ESG-related investment products. As our investment management process covers decisions made on allocations between asset classes, countries, sectors and companies, incorporating ESG factors into our process will help to identify and mitigate the ESG risks.

RHB SRI KEHATI-Index Fund

The SRI-KEHATI Index (Sustainable and Responsible Investment-KEanekaragaman HAYATI Indonesia) was created as an equity index through a collaboration between Yayasan Keanekaragaman Hayati Indonesia (the KEHATI Foundation) and the Indonesia Stock Exchange (Bursa Efek Indonesia). Established in January 1994, the KEHATI Foundation, otherwise known as the Indonesian Biodiversity Foundation, is a non-profit, grant-making foundation that supports programmes in biodiversity conservation and utilisation in a fair and sustainable manner. By launching the SRI-KEHATI Index, it was expected that the public would be made aware of the presence of an index showing which companies were regarded as beneficial and constantly managing sustainable development.

The Asset Management Group launched its first ESG investment product in Indonesia—the RHB SRI-KEHATI Index Fund—in November 2017. The assets under management of RHB SRI-KEHATI have grown by almost four times since its launch with assets under management for the fund at RM115 million (IDR385.59 billion) as at 31 December 2019. It is the larger of the two SRI-KEHATI Index Funds run in Indonesia.

Among the key features and successes of the RHB SRI-KEHATI Index Fund are:

- The index fund has a portfolio constructed to match or track the components of the SRI-KEHATI Index
- It practises passive fund management with a maximum tracking error of 2%
- ≥80% of the fund must invest in securities listed under the SRI-KEHATI Index
- The weighting allocation of the securities under the index fund range from 80% to 120% of the actual reference index weighting

Sustainable & Responsible Banking

- Sustainable Financing

Transforming into a Value-based Islamic Bank

We have aligned ourselves with BNM's call to adopt the principles of value-based intermediation ("VBI"). The VBI approach requires us to go beyond the requirements of Shariah compliance or of an Islamic bank as we seek a holistic approach to banking that prioritises the well-being of the Ummah (i.e. people and society), leaning towards sustainability considerations. Some of the major thrusts include wealth preservation, making a positive social impact and caring for the planet. VBI acts as a building block towards creating a wholesome value proposition not only for financial customers, but also for stakeholders within the society and the economy at large. VBI will benefit the Islamic finance sector, giving it a distinct identity and character.

KEY HIGHLIGHTS:

Accepted as the 10th member of the VBI Community of Practitioners ("CoP") in May 2019

Appointed as a member of the Joint Committee on Climate Change in September 2019

Actively participated in the development of the VBI Financing & Investment Impact Assessment Framework, which was launched in November 2019

Sustainable Banking through VBI Initiatives

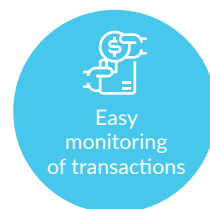
Collaboration with Boost

RHB Islamic collaborated with Boost e-Wallet, a leading cashless e-wallet app that now boasts four million users, to deliver a cashless payment facility for government clinics. The e-wallet facility is important in empowering consumers as well as government agencies in providing convenient and safe payment facilities to members of the public.



SyuQR - Cashless Donations

Launched in 2018, SyuQR (e-Sadaqah) enable donors to contribute to mosques and Islamic institutions via QR code through internet banking, JomPay, Boost e-Wallet and its latest feature, Tap & Derma. Besides promoting a caring and charitable society, the advantages of SyuQR include:



As of December 2019, SyuQR has grown to 141 institutions which include places of worship such as mosques and suraus as well as charitable organisations.

To read more about SyuQR, please refer to page 82 in RHB's Integrated Report 2019.

Giving Back to Communities through Zakat

Zakat¹ refers to the religious obligation under Islam where individuals or companies such as RHB Islamic have to donate a certain proportion of their wealth each year for charitable causes. Setting aside a proportion for those in need is said to purify yearly earnings that are over and above what is required to provide the essential needs of a person or family. The Shariah Committee approved RM5.0 million for RHB's zakat contribution, to be distributed to state zakat authorities ("SZAs").

RHB Islamic also started taking on the role of Wakeel (Agent) for SZAs in 2018 to distribute the allocation of zakat refunds approved by SZAs. RHB Islamic distributed refunds to Asnaf² under the Gharimin³ category. This means zakat refunds are distributed to eligible recipients facing life and financial hardships, in accordance with RHB Islamic requirements. RHB Islamic ensures the refunds are properly distributed by evaluating each application based on merit. Our zakat redistribution was RM53,000 in 2019 and RM57,000 in 2018.

Waqf - Channelling of Endowments for the Betterment of the Community

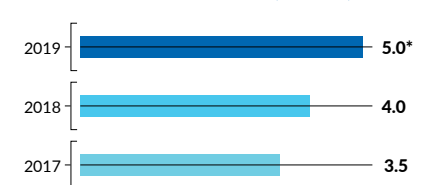
RHB Islamic launched its first Waqf⁴ initiative, Dana Wakaf Al-Bait, in February 2019 through collaboration with the Association of Islamic Banking and Financial Institutions Malaysia and the Sarawak State Islamic Religious Council.

The two beneficiaries in Sarawak are:

- Pertubuhan Kebajikan Baiturrahmah, Kuching**
This institution was established to nurture children who are reverts (mu'alaf) and orphans and provide Islamic education to them while ensuring they receive the necessary education from public schools. Primarily funded by public donations, the institution currently houses 17 children from rural areas.
- Akademi Tahfiz Hidayatul Quran Annur, Sibul**
Established in December 2015, the Tahfiz has 15 full-time students and depends mainly on donations from NGOs and the public for its daily expenses. Other than memorisation of the Quran, the students learn Islamic studies, Arabic and basic communication skills.

The goal is to collect RM500,000 for our first initiative in Sarawak. The status of the amount raised to date may be viewed live on the MyWakaf website at: <http://www.mywakaf.com.my/our-projects/?project=38>

Zakat Contribution (RM mil)



* Zakat for FY2019 has yet to be fully distributed.



RHB Islamic participated in several finance-related events to raise awareness on our SME products and services and promote the Islamic financial system. Among the events were:

- Penang International Halal Expo
- Islamic Finance Rendezvous Series, Johor Bahru
- Malaysia International Halal Showcase ("MIHAS")
- 5th Selangor International Business Summit 2019
- Kuala Lumpur International Finance Forum ("KLIFF")
- 14th Islamic Finance Service Board Summit 2019, Jakarta

Notes:

- ¹ Zakat means to grow (in goodness) or "increase", "purifying" or "making pure". Our possessions are purified by setting aside a proportion for those in need, thereby balancing and encouraging new growth.
- ² Asnaf refers to the eight categories of Muslims who are eligible to receive zakat.
- ³ Gharimin is one of the Asnaf categories, which refers to Muslims who have debts for the benefit of themselves and/or society.
- ⁴ Waqf is an endowment made by a Muslim to a religious, educational or charitable cause.

Sustainable & Responsible Banking

- Customer Centric Banking

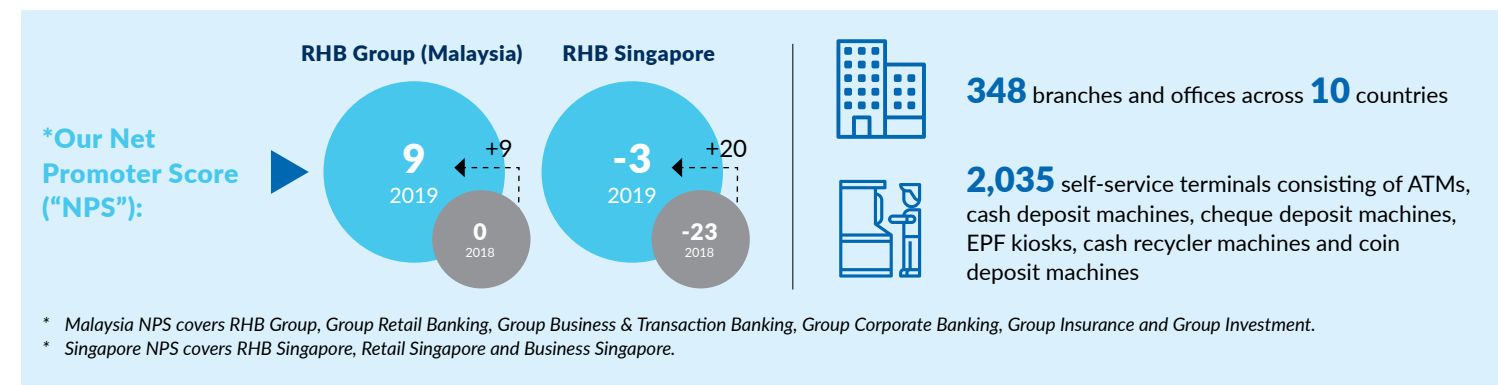
Retail Customer Centric Solutions

Our customers are at the heart of everything we do. We provide an inclusive customer experience by treating our customers fairly and advocating customer rights. Service and operational excellence is one of the core components of our FIT22 strategic roadmap and is aligned with our Brand Promise "Together We Progress", our Customer Service Charter and our culture of service - RHB Way, which outlines our commitments in delivering superior service excellence to customers.

In projecting our fundamental promise to customers, we are guided by our brand promise of "Together We Progress".

With service excellence as our priority, we ensure innovative solutions, excellent services and unique customer experiences by focusing on digital innovations to provide fast, smooth and seamless experiences.

In 2019, our Net Promoter Score ("NPS") improved from 2018, with RHB Malaysia recording + 9, while RHB Singapore recorded a + 20 improvement. This is a testament to our customer-centric culture, the RHB Way and the Agile way of working, all of which enable RHBians to prioritise customers' needs.



RHB Way Service Culture

RHB Way transforms our service culture into a superior experience that meets customers' needs at all branches and across all business segments. We are committed to Building Trust, Delivering Convenience and Creating Value for our customers. The RHB Way model is anchored on five key building blocks:



In 2019, we rolled out the RHB Way throughout the country and in Singapore. We undertook various measures such as weekly RHB-wide Theme Talk Sessions and Chat Over Teh Tarik customer engagement sessions to understand their needs and deliver superior experiences. We also benchmarked branch service quality against a set of service standards based on a Model Adherence Checklist, implemented the #GiveMe10Campaign to create awareness about service excellence and encourage customers to recommend RHB. In December 2019, we implemented the RHB Way Tone of Voice to ensure consistent high-quality correspondence from the Customer Contact Centre ("CCC"), product teams and all branches.

210 Differently-abled branches and ATMs

We have 210 branches with better accessibility.** These branches are equipped with special counters or waiting areas for customers with disabilities or special needs, including elderly or differently-abled customers, and include low-level counters or writing surfaces. The branches' ATMs are at an appropriate height for keypad, card slot and money dispenser slot, and have keypads with raised dots on numbers 1 and 5 to help identify surrounding keys to assist differently-abled customers. This includes 67 branches with walkway ramps and 16 branches with a dedicated parking lot for our special needs customers.

We also extended training to all branch staff including front-liners to enable them to better engage with special needs or differently-abled customers. A total of 4,425 employees received these soft skills training modules in 2019, an increase of 73.2% in training compared to 2,555 in 2018.

Note:
** Includes conventional and Islamic branches

Everyday Heroes for All Time

These are the stories of ordinary RHBians who went beyond the call of their banking duties to help customers in various ways. The stories range from assisting customers in overcoming financial access challenges to saving customers from falling victim to scams. The collection of stories from July 2018 to 2019 is aimed at motivating other employees to go the extra mile and prioritise service excellence.

The RHB Way included recognising and rewarding RHBians for:

- 108 extra-mile service stories across the Group through the My Service Commitment Award Seasons 1 and 2 - This is an ongoing award to encourage employees to submit stories of customer experiences every week, cultivating a highly engaged workforce and the Agile way of working
- 54 extra-mile service stories in the "Everyday Heroes for All Time" e-culture book to celebrate service heroes and share exemplary service behaviours for others to emulate
- 12 process simplification initiatives awarded under the Make It Easy Award - This award drives simplification by encouraging employees to challenge the status quo and eliminate wasted efforts or resources
- 32 service heroes - To show our appreciation to employees who went the extra mile, we displayed motivational posters of 32 RHB Heroes at RHB Centre with the theme "Recognising Strengths, Celebrating Differences". Showcased in art gallery style, the posters bore quotes from the RHB Heroes to highlight their strengths. There were also digital posters displayed at RHB Complex and set as all Windows 7 lock screen backgrounds
- 27 GMC-selected projects that delivered changes to reduce errors and "get it right the first time" under the Make It Right Award - This award drives operational excellence across the Group and encourages continuous efforts to reduce errors

For more stories about Everyday Heroes, please visit <https://www.rhbgroup.com/EverydayHeroes/index.html>

Sustainable & Responsible Banking

- Customer Centric Banking

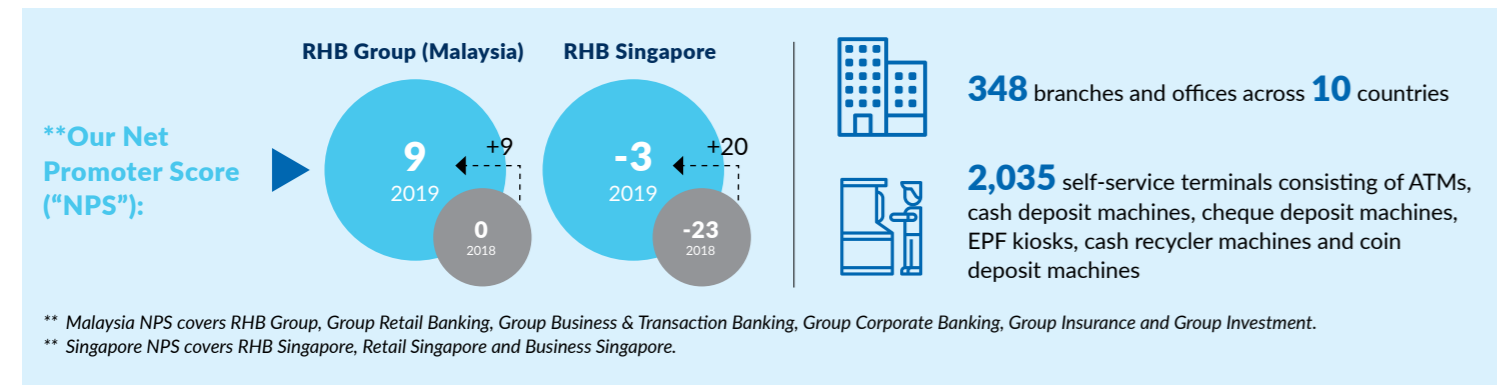
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Blessings in Disguise

Mr. Zamri • RHB Premier Customer
Eliya, Masliza & Aslina • RHB Staff

RHB Premier customer Mr. Zamri received full assistance from RHB representative Eliya, Sales Support Officer ("SSO") Masliza and Sales Manager ("SM") Aslina from the Bangsar Shopping ("BSC") branch when he was faced with an emergency despite having a dormant RHB account. Mr. Zamri, who unfortunately had suffered a stroke and was hospitalised in Pusat Perubatan Universiti Malaya ("PPUM") on the eve of Hari Raya Qurban, tried to authorise his son to operate his bank account in another bank but was told by the bank that he must walk in. Left with no choice, Mr. Zamri decided to give the RHB BSC branch a try and much to his surprise, the three RHBians visited him at the hospital with all the necessary forms for him to activate his account and give his son withdrawal authorisation. Mr. Zamri and his family were overwhelmed with RHB's dedication and promised to reconsider their business with RHB.

Heroes Come in Twos

Mrs. Ana • RHB Customer
Roslinawati & Hafizah • RHB Staff

Customer Service Officer Roslinawati and ABM Hafizah saved customer Mrs. Ana from falling victim to a scam when Roslinawati suspected something amiss. Mrs. Ana wanted to transfer RM50,000 from her Amanah Saham Bumiputera account into a third-party newly-opened account in another bank. She was told by a caller who claimed from the "authorities" to transfer her money into a "safe" account, as her identity card was being used for money laundering. Roslinawati knew it was a scam and got Hafizah to reverse the transaction and accompany Mrs. Ana to the police station. Mrs. Ana, however, had lost RM48,000 in an earlier transaction from another bank to the scam but she was grateful to both Roslinawati and Hafizah for saving her from another scam.

Note:
Customer names are not their real names and are fictitious, to protect their true identities.

A Narrow Escape

Madam Chang • RHB Customer
Noraida & David • RHB Staff

ABM Noraida and Branch Manager David saved Madam Chang's life savings of RM300,000 when they prevented her from being cheated by a scam. Noraida knew something was wrong when Madam Chang wanted to uplift her fixed deposit ("FD") account and transfer the amount into her savings account before activating her online banking. Madam Chang eventually told Noraida that she had been informed by "the police" that she should transfer her money into her savings account to clear her name from a drug trafficking case. Noraida and David immediately helped Madam Chang to lodge a police report. Madam Chang was thankful for their help and was grateful that she still had her life savings.

Busting A Fraud Attempt

Natasha • RHB Staff

SSO Natasha received a letter of appreciation from a hotel for protecting its reputation due to her quick detection of a fraud attempt. Natasha, who was approached by two walk-in customers, David and Peter, was told they wanted to open a salary account. As they presented their employment letters, Natasha was quick to notice that the letterhead looked like a copied version with only a mobile number attached to it. She started to probe the two men for information on their employment, and they eventually told her to contact the mobile number on the letter. However, Natasha decided to call the hotel instead and managed to verify that the two men were not employed by the hotel. Natasha proceeded to inform them that she could not process their applications as the bank was unable to verify their employment. Natasha's commendable act has been shared across other branches as a lesson on fraud prevention.

Sustainable & Responsible Banking

- Customer Centric Banking

Our Commitment to Customers

In engaging with our customers, we endeavour to make every instance of their journey an excellent experience. Customer feedback is key to building trust and delivering excellence, thus we actively seek customers' feedback through transactional surveys, focus groups and an annual customer survey. We also ensure the NPS and Customer Effort Score are measured at key customer touchpoints. Our Customer Service Charter, which is available on RHB's website, outlines our key commitments and service standards when providing service to our customers.

To view our Customer Service Charter, please visit <https://www.rhbgroup.com/others/customer-service-charter/index.html>

We continuously analyse customer feedback from various channels and across key service indicators such as customer waiting time, serving time and loan application and remittance turnaround times, among others. These indicators are benchmarked against internal and industry standards. Customer feedback is addressed within the stipulated time, in accordance with the Complaints Management Manual.

Governance of Service and Operational Excellence

The Service and Operational Excellence Council ("SOEC") drives service and operational excellence by providing oversight and strategic directive on key elements and matters that affect RHB Banking Group's service and operations. The SOEC focuses on transforming the end-to-end customer experience across a wide range of products and delivery channels. The SOEC reports to the Group Management Committee and comprises leaders from various Functional and Business Groups.

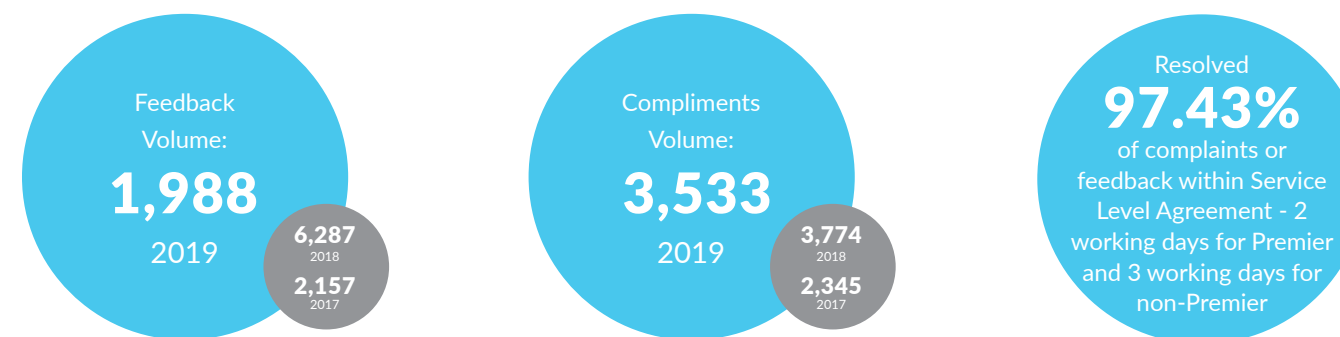
The RHB Customer Advocacy Team is an independent unit established to facilitate resolution/management between customers and the relevant business and functional units across the Group. The Customer Advocacy Team receives and reviews customers' feedback and offers mediation, where necessary. Our Customer Advocacy Team's objectives are to:

- Improve turnaround time for customer resolution
- Improve the quality of our responses and communication with customers
- Change the mindset of complaint handlers to embrace complaints as "Golden Opportunities for the Bank to Move from 'Good to Great'"
- Engage with customers after the issue has been resolved to obtain their feedback on satisfaction levels for improvement

Improving Customer Services and Ensuring Quality Responses

We continuously run post-resolution surveys on complaints resolved or feedback given to gauge customers' satisfaction levels. The Group also ensures customers are treated fairly by having an escalation option for them. To this end, our Customer Advocacy Team reviews the complaints or feedback and offers mediation where necessary. The team conducts an NPS survey with every customer who submits a complaint or feedback in order to make things right, turn negative emotions to positive and influence a "detractor" into becoming a "promoter". Root cause analysis is a continuous effort leveraging on design thinking to design better customer journeys.

Effective 2018, we expanded our capability to collect customer feedback, resulting in three times more feedback than 2017. Results for 2019 are shown below:



In 2019, the Customer Advocacy Team:

ACHIEVED SHORTENED TURNAROUND TIMES	ENHANCED WRITING AND COMMUNICATION SKILLS
RAISED COMPETENCY LEVELS	INTRODUCED POST-RESOLUTION CUSTOMER SURVEYS

Goal	Action/Achievement
Improve turnaround time for customer resolution	Shortened turnaround time for customer resolution from three days in 2018 to two days in 2019 for Premier customers, and from five days in 2018 to three days in 2019 for non-Premier customers, compared to July 2019
Improve the quality of our responses to and communication with customers	<ul style="list-style-type: none"> • Enhanced writing and communication skills by applying RHB's Tone of Voice in all customer communications and by practising "Using Simple English", a series of workshops that spanned 10 weeks conducted by the British Council • Reviewed all customer correspondence and resolutions
Change the mindsets of complaints handlers to embrace complaints as "Golden Opportunities for the Bank to Move from 'Good to Great'"	Raised the competency of staff handling customer complaints with continuous development through the "Art of Win Back", Volumes 1 & 2
Engage with customers after the issue has been resolved to obtain feedback on their satisfaction levels for improvement	Introduced post-resolution customer surveys to gauge customer feedback through the SMS platform and subjected the feedback to root cause analysis

We have also rolled out new service programmes for branch personnel, the CCC and Retail's collection and recovery staff to develop their service and customer management skills. The programmes feature bite-sized self-learning content to enhance the learning experience and improve speed-to-market via in-house-developed e-learning, video learning and augmented reality.

In 2019, we also rolled out RHB Game Changer at Head Office to inculcate the Customer First and One RHB mindsets among employees. RHB Game Changer is an initiative to encourage employees to practise customer service excellence with their colleagues from different parts of RHB.

How We Improved Customer Service at Branches in 2019:

- Provided customers with efficient self-service queue system featuring a modern touchscreen and the capability to gather instant customer feedback and give priority service to Premier Debit Card holders
- Added QR code on queue tickets to allow customers to easily provide feedback on their banking experience at RHB

RHB'S SERVICE AND OPERATIONAL EXCELLENCE COUNCIL STRUCTURE

- Chairperson: Chief Operations Officer
- Alternate Chairperson: Head, Group Retail Banking

Group Management Committee ("GMC")

- Group Chief Marketing Officer
- Chief Digital Officer
- Head, Group Retail Distribution
- Head, Commercial Banking
- Head, Customer Strategy
- Head, Group Customer Experience ("GCX")
- Head, Investment Banking Operations
- IT Centre of Excellence ("COE") Lead

Service and Operational Excellence Council

Members

Sustainable & Responsible Banking

- Customer Centric Banking

Customer Contact Centre ("CCC")

Recognising the all-important role of the 24-hour CCC, RHB's CCC is empowered with digital capabilities and data analytics to serve more than 200,000 customers every month across Malaysia, Singapore and Brunei.

Through FIT22, RHB's CCC was able to roll out strategic interventions that included the execution of the RHB Way to achieve superior customer service in 2019. CCC also executed the Premier Upgrade Programme by converting eligible customers to Premier Status.

In addition, CCC rolled out the Intelligent Call Routing Strategy for Premier customers to reduce waiting time and maintain a consistent abandoned call rate of below 1%. This included the filtering of incoming calls on CCC's general line and reducing the number of calls.

Leveraging on technology and digitalisation has increased the productivity of RHB's CCC. In 2019, the CCC:

- Shortened turnaround times in responding to customers' enquiries
- Redirected 21,000 credit card-related calls to self-service since April by using the Interactive Voice Response ("IVR") feature
- Improved staff utilisation or productivity by 62% compared to 58% before Agile, exceeding the target of 60%

Way Forward for CCC

Going forward, RHB Bank is poised to implement digitally driven initiatives that, among others, will include more advanced robotics automation, LiveChat and chatbots.

Enhanced robotic process automation ("RPA") and robotic desktop automation ("RDA") features will enable agents to respond faster and more effectively to customers' needs using bots. This will reduce manual intervention, resulting in shorter voice conversations and eventually reducing call volumes.

The LiveChat function will allow agents to manage multiple chat sessions concurrently with its interactive functions, potentially doubling the ability to address incoming call loads and reducing customers' waiting time.

Achievements in 2019:

**CALLS TO BE ANSWERED
WITHIN 20 SECONDS:
82% (INDUSTRY RATE: 80%)**

**ABANDONED CALL RATE:
3.1%**

**SERVICE REQUEST SLA:
94% (IN DECEMBER, COMPARED TO
92% BEFORE AGILE)**

**NPS:
88% (IN DECEMBER, EXCEEDING
THE 81% TARGET SET FOR 2019)**

CX Recognition Awards:

NEXT-GEN CUSTOMER EXPERIENCE IN FINANCIAL SERVICES AWARDS 2019

- Winner: Best Customer Experience – Contact Centre (Premier Elite Team)
- Winner: Best Customer Insight and Feedback Initiative (RHB Way)

2019 FROST & SULLIVAN MALAYSIA EXCELLENCE AWARDS IN CUSTOMER EXPERIENCE – BANKING INDUSTRY

- Winner: Contact Centre Experience
- Winner: Online Banking

CX ASIA EXCELLENCE AWARDS 2019

- Winner: Best Customer Experience Team

Fair Treatment of Financial Consumers

We are committed to the fair treatment of financial consumers in conducting our business and we give priority to consistently deliver fair dealing outcomes to our customers.

The Group is guided by BNM's policy document on Fair Treatment of Financial Consumers*. This entails the establishment of a policy and a service charter on the principles of fair treatment of financial consumers. RHB Banking Group is committed to continue ensuring financial consumers are provided with clear, relevant and timely information as well as fair terms and conditions in the products and services that the Group offers.

WE
BELIEVE IN:

- Being responsive to the needs of financial consumers
- Being fair, responsible and professional when dealing with financial consumers
- Being diligent and skilful and consistently exercising due care in our business dealings with customers
- Handling customer complaints in an independent, effective and fair manner premised on our Client Charter and FTFC Policy

Initiatives

We have taken proactive steps towards delivering fair treatment outcomes for our customers. This includes simplifying the language used in contracts to eliminate "banking and legal jargon" in order to help customers understand and make informed decisions. Involving support teams from Group Legal, Group Compliance and Group Customer Experience, the initiative was carried out across various business units in three phases:

- Phase 1: This phase involved credit cards, personal financing and the Premier segment
- Phase 2: This phase focuses on Group Auto Finance and is expected to be completed by April 2020
- Phase 3: This phase involves Wealth, Deposits and Internet and Mobile Banking services

The Customer Advocacy ("CA") Team, which has adopted the Agile way of working, has been given a front-line role. The CA Team is responsible for managing customer feedback and ensuring that matters brought up by customers are fairly, professionally and objectively resolved. The CA Team is guided by the Group's Complaints Management Operations Manual issued in September 2019 and has proper processes as well as well-documented procedures for handling complaints and feedback.

In ensuring that our CA Team and staff are able to communicate clearly and meaningfully with our customers, they undergo training on using simple English and the RHB Tone of Voice, as well as training in the "Art of Win Back". These programmes are designed to equip staff with the ability to empathise with customers' emotions when managing their complaints.

RHB Bank will focus on fair treatment of financial consumers through the following key initiatives:

- Develop an FTFC Policy and Charter
- Continue to identify gaps for remedial action and root cause analysis
- Organise educational and awareness programmes on FTFC for all staff
- Continue to ensure financial consumers are provided with clear, relevant and timely information and fair terms in contracts through the review of RHB Bank's contracts

Note:

* The Policy was released in November 2019. Current fair treatment practices, among others, include conducting suitability and affordability assessments for each new and additional financing facility, providing customers with a product disclosure sheet to facilitate comparison and decision-making, providing comprehensive Product Disclosure Guidelines to sales and servicing employees and Mystery Surveys at branches, conducted by Group Compliance.

Sustainable & Responsible Banking

- Digitalisation

Digital Finance and Financial Access

Traditional financial services as well as delivery channels have evolved from brick and mortar to digital. The expansion of financial services to digital means provides convenience to customers as it enables greater access to a wide range of products and services.

Our digital transformation plan, which is part of the Group's FIT22 five-year strategic roadmap, comprises a robust digital adoption and innovation plan that will enhance our service and operational excellence, strengthen our presence and deepen our relationships with our customers as well as our reach to the underserved.

As part of our Digital Transformation Plan, we have formulated and invested in employee training and development programmes in order to prepare them for the new digital age through upskilling and enhancement modules such as essential soft skills and digital and Agile learning series. This aligns with our aspiration to nurture a workforce of the future.

Below is a summary of our journey to date:



- 2016**
 - Digital strategy approved by Board
 - Digital initiatives at business units
 - Initiated key IT projects
- 2017**
 - Group Digital Transformation established
 - Digitalisation of 6 customer journeys
 - Deployed 7 advanced analytics use cases
 - 100 Digital Leaders trained
 - Piloted Agile at Digital.RHB
 - DevOps Infra set up
- 2018**
 - 7 more new digital customer journeys
 - New Gen Digital Channel Platform ("DCP") in place
 - 15 more new advanced analytics use cases
 - Big data and AI analytics capabilities
 - 400+ Digital Leaders trained
 - DevOps implemented in Digital.RHB
 - New loans origination and treasury systems
 - Robotic process automation ("RPA") piloted
- 2019**
 - In 2019, we accomplished several key initiatives such as:
 - Ecosystem partnerships (homeowners & SMEs)
 - Launched new version of Mobile Banking App on 18 April 2019
 - Commenced MVP2 of DCP (new Internet Banking)
 - 20 new analytics use cases with greater emphasis on big data
 - Completed key systems (e.g. MUREX, FLASH, CREST)
 - Continued to explore new innovations, e.g. Chatbots, eKYC
 - Expanded RPA outside Group Operations
- 2020**
 - All key business units and support functions operating in Agile mode
 - Digital capabilities embedded in all businesses

Key Targets for 2022

- 80% of transactions via digital channels
- 50% of new retail and SME business originated digitally
- 25% of new retail powered by analytics
- 15% of revenue from digital ecosystem partnerships
- 2-3% reduction in cost-income ratio

In recent years, we have seen an increase in digital adoption and online transactions through our digital channels and digital solutions comprising Internet Banking, Mobile Banking, Reflex, e-Solutions, e-Broking, ATM non-cash withdrawals and cash deposit machines ("CDM"), as well as credit and debit cards.

The Group enhances financial access for our retail customers through our Mobile Banking App, which enables them to conduct banking transactions anywhere and delivers a superior and secure mobile banking experience. The app features one-click pay, transaction signing and seamless user-friendly interface.

Our e-Solutions, which form part of the SME Ecosystem, enable SME customers to perform their daily transactions seamlessly on a single platform with integrated related solutions ranging from accounting, HR and point-of-sale solutions.

The following are some of the key highlights in 2019 that have enabled increased financial access through innovative solutions and improved customer experiences:

Developing customer-centric solutions and fostering innovation

For homebuyers

- To help homebuyers, we completed building an overall online ecosystem that now spans pre-purchase, financing and post-purchase services
- For pre-purchase, we struck strategic partnerships with influential online service providers/aggregators such as PropertyGuru, Mhub (an end-to-end property marketplace platform) and iMoney for mortgage referrals via the RHB Partners App

Please turn to page 34 to find out more about the RHB Homeowners Ecosystem including the RHB MyHome website and MyHome App.

For retail customers

- A new RHB Mobile Banking App was launched with unique features such as quick link, one-touch payment, biometric-only transactions and unified dashboard view. We will continue enhancing the app to add functionalities like Unified Search, DuitNow, FB SDK, CashXcess, ASBN Top-up, etc
- We launched the RHB Rewards Motion Code credit card, the first card in Southeast Asia with a dynamic CVV feature. The traditionally static three-digit CVV code was replaced with a dynamic three-digit code that changes every four hours—greatly helping in the prevention of fraudulent transactions

For Business & SME customers

- Relaunched SME e-solutions in May 2019 with the integration of Financio accounting solutions via API. This has doubled our customer base to approximately 6,000 and delivered more than RM300 million of CASA under management
- Launched a financial benchmarking tool via iSmart for SME customers to improve advisory and engagement
- Launched Bulk Account Opening service for payroll accounts. It is the first fully digital service in Malaysia

Please turn to page 36 in this report and page 67 in the Integrated Report 2019 to find out more about SMEs.

Increased digital adoption in 2019

Overall, the digitalisation of the customer journey and advance analytics contributed towards incremental revenue of **RM77.59 million** in 2019

Digital Channel Transactions

Digital Channel Share
2019: **54.0%**

Digital with ATM Withdrawals
2019: **67.8%**

46.9% or 1.86 million users are using RHB Internet Banking

16.6% or 0.65 million users are using the RHB Mobile Banking App

>300K customers onboarded on new RHB Mobile Banking app since its launch in 2019

Mortgages acquired through the MyHome App in 2019: **19.5%** (2018: 16.0%)

SME unsecured loans acquired through SME Online Financing in 2019: **59.2%** (2018:11.6%)

89% of all customers are now using non-OTC channels, including cards and ATMs

Sustainable & Responsible Banking

- Digitalisation

Operational Efficiency

The Group continues to look for ways to improve its operational efficiency, from our back-office operations all the way to the front line. These incremental improvements can be significant as they not only enhance the sustainability of the business but also add value for both internal and external customers.

Since embarking on our Agile@Scale journey, the Agile way of working has delivered meaningful benefits to the organisation, such as faster speed-to-market by approximately 30% for product launches and by four times for marketing campaigns, as well as increasing productivity in a meaningful manner with a 15% improvement.

Through the adoption of robotics and artificial intelligence, the Group improved overall speed, quality and cost/productivity in a number of processes, details of which are as follows:

Improved processing or operational times, thus improving productivity and turnaround times:

- Anti-Money Laundering and Watch List Management ("AML-WLM") - Processing time reduced from 8 minutes to 25 seconds per case
- Asset-based financing documentation - Processing time reduced from 45 minutes to 15 minutes per case
- Creation of ad hoc SMS blast files for Retail Collections & Recovery - Processing time improved from 35 minutes to 2 minutes per file

Learn more about Agile@Scale and how it benefits our stakeholders on page 50 of our Integrated Report 2019.

Transformation and Capability Building

In developing a high-performing culture, RHB's adoption of Agile@Scale has successfully transformed our respective business and functional units (Homeowners, Transactors, Investors, Retail Collections & Recovery and SME & Transaction Banking) into Agile-based operations, which promote strong interdisciplinary collaboration.

We continued to invest in tech talent and nurturing the next generation of leaders and workforce (Workforce of the Future) with the following programmes:

1. RHB Digital Academy and Digital Bootcamps
 - Trained 1,348 RHBians since 2017
 - Attracted more than 900 participants in 2019 (as at December 2019)
2. Digital learning for all (achieved 90% completion)
 - Five e-learning modules on digital subjects have been made compulsory for all RHBians—Digital Megatrends, Intro to Customer Journey and Design Thinking, Intro to Analytics, Intro to Lean and Agile Fundamentals
 - More than 14,000 RHB employees received digital knowledge training via e-learning
3. Promoting customer-centric solutions through digital means
 - A Design Thinking ("DT") and Customer Journey ("CJ") module was delivered by in-house practitioners in collaboration with an external vendor
 - The CJ and DT module provided selected RHBians (those in the Digital.RHB office and in Agile) a better understanding of the importance of the customer journey and of the tools to help them design and drive better solutions and products
 - 823 people have been trained as at December 2019
4. Investing in / encouraging the learning of new digital skills
 - a) Front-end developer programme
 - Created in-house to provide foundational understanding to RHBians who are keen to explore new skills in programming
 - The front-end developer programme has managed to produce two potential talents for future junior developer roles (12 employees have undergone the learning process)
 - b) Analytics generalist and specialist programmes
 - Introduced to provide opportunities to RHBians who are keen to learn how to use data to improve work performance and to help in better decision-making
 - 105 participants have been trained and given exposure under the analytics generalist programme

Digital Collaborations and Roadshows

We held digital collaborations and roadshows to promote digital awareness among RHBians and the community at large:



Partnered with Women Techmakers Kuala Lumpur and the Google Developer Group Kuala Lumpur in celebrating International Women's Day at Google Kuala Lumpur. Featuring women speakers, there were talks on cybersecurity, augmented reality and work-life balance, besides technical and non-technical workshops such as on creating art using programmes in the style of local female artists, build actions for Google Assistant Codelab and enhancing presentation skills



Digital Champions and Digital Tuesday

- Digital Champions - We appointed Digital Champions at the branch level, who are essentially digital ambassadors to support branch managers in driving awareness, sharing knowledge and promoting RHB's digital offerings
- Digital Tuesday - As the in-branch digital product experts, the Digital Champions guide our customers and hold briefings on digital products and process-related matters every Tuesday



Organised various events in universities and colleges through an ongoing collaboration with Google Developer Group



Hosted delegates from the Egyptian Banking Institute ("EBI") who visited Digital.RHB to learn about and for exposure to current trends in fintech and digitalisation. The delegates were from the National Bank of Egypt, QNB Al Ahli, Banque Du Caire, Arab African International Bank, Misr Iran Dev Bank, Faisal Islamic Bank of Egypt, Central Bank of Egypt, National Bank of Kuwait and the United Bank. Ranging from chief information officers and chief retail officers to heads of digital, technology and operations, the delegates were impressed with RHB's digital journey and aspirations



Hosted students from Universiti Kebangsaan Malaysia and Universiti Tunku Abdul Rahman (Kampar campus) at the Digital.RHB office

DIGITAL BANKING INITIATIVE-RELATED AWARDS IN 2019

- ABF Retail Banking Awards 2019 (Service Innovation of the Year—Malaysia Award)
- Trailblazer in Digital Distribution 2019 (Best Digital Banking Initiative (SME))
- The Asian Banker Malaysia Awards 2019 (Best Innovation Centre by Financial Institution in Malaysia)
- Malaysian e-Payments Excellence Awards 2019 (Top Direct Debit Biller Bank)
- Malaysian e-Payments Excellence Awards 2019 (JomPAY Most Innovative Bank)
- Malaysian e-Payments Excellence Awards 2019 (JomPAY Best Biller Bank (Joint Winner))
- Malaysian e-Payments Excellence Awards 2019 (Top FPX Acquirer)

Embedding Good Practices

- Ethics & Governance

This section should be read together with the Group's Corporate Governance Overview Statement in the RHB Integrated Report 2019, on pages 106 to 122, and the Corporate Governance Report 2019 on our corporate website at www.rhbgroup.com

Corporate Governance

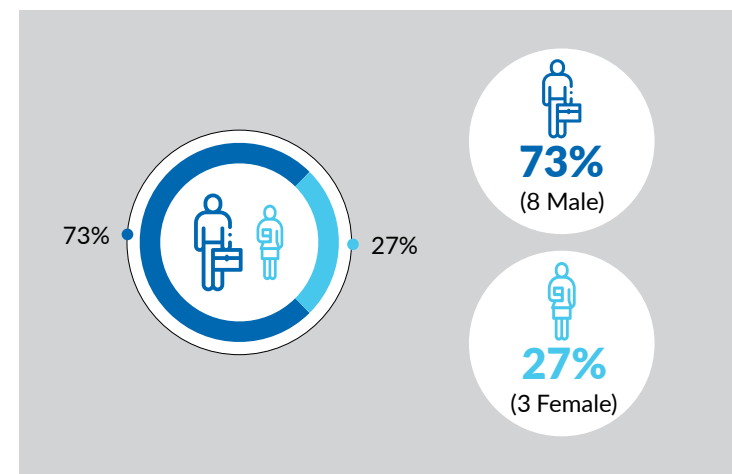
At RHB, we uphold good governance supported by robust policies and executed with uncompromised accountability, as we strive towards creating long-term sustainable growth for all our stakeholders. Our strong governance framework is governed by the Board, which guides the organisation in its decision making and risk management, as well as on matters related to leadership, diversity and sustainability. We regularly review and bolster our approach to governance to adapt to the changing environment and to incorporate best practices to drive outcomes and deliver on our goals and strategies. This includes enhancing our corporate governance with ongoing engagement, enhancement and reporting from Board Committees.

The Board of Directors is guided by the Board Charter, which sets out the roles, duties and responsibilities of the Board. The Board Governance Manual is in place to guide the Board on the following matters:

- Approval Framework on Directors' Expenses
- Boardroom Diversity Policy
- Nomination Framework
- Group Fit and Proper Policy
- Guidelines on Tenure of Non-Executive Directors' Appointment/ Re-appointment
- Procedures for Independent Professional Advice
- Procedures on Directors' In-House Orientation & Continuing Education Programme

Board Gender Diversity

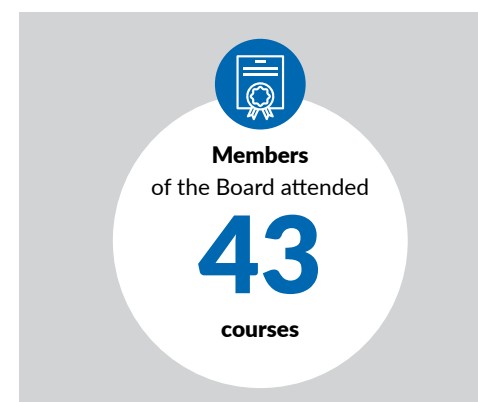
As of 31 December 2019, we achieved the target of having 30% female representation on the Board of Directors. On 16 March 2020, however, a new Non-Independent Non-Executive Director was appointed to the Board of Directors, changing our composition and percentage of female representation to 27%.



To read more on RHB Bank's Board of Directors, please refer to the RHB Integrated Report 2019 on pages 94 to 103.

Highlights in 2019

- Enhanced RHB Bank Berhad's Board Charter to further underline our commitment to strong governance
- Board Governance Manual was developed to guide the Board members to discharge their duties effectively, efficiently and responsibly
- Members of the Board attended 43 courses including on anti-corruption, cybersecurity and cryptocurrencies
- Published quarterly Governance, Openness and Trust bulletin to promote good corporate governance and business ethics within the Group



To read more, please refer to the list of training programmes attended by Board members as disclosed in Section B of the Corporate Governance Report.

The Group's key policies, position statements and guidelines that set our stance and guide our responses to matters that are important to our stakeholders are listed below. The list is non-exhaustive and will be updated from time to time.

No.	Title	Description
1	Group Code of Ethics & Business Conduct for Directors	The Group places importance of a top-down compliance culture within the organisation. Directors' adherence to ethical values demonstrates their commitment to responsible leadership and creation of an ethical culture, which strengthens the confidence of employees and the public at large.
2	Group Code of Ethics and Business Conduct for Employees	Articulates the high standards of conduct and behaviour that should be adopted by the employees as good ethical business practices.
3	Core Shared Values (P.R.I.D.E.)	Professional: We are committed to maintaining a high level of proficiency, competency and reliability in all that we do. Respect: We are courteous, humble and we show empathy to everyone through our actions and interactions. Integrity: We are honest, ethical and we uphold a high standard of governance. Dynamic: We are proactive, responsive and forward thinking. Excellence: We will continuously achieve high standards of performance and service deliverables.
4	Group Anti-Bribery & Corruption Policy	The Board is responsible for active oversight to curb acts of bribery and corruption, enhancing existing internal control mechanisms and improving anti-corruption awareness throughout the Group. This ensures RHB Banking Group remains free from the contagion of corruption.
5	Group Corporate Sponsorship & Donation Policy	The processes and procedures for evaluating and granting sponsorship requests received by the Group ensure the prevention of conflict of interest through direct or indirect financial, legal or political affiliations.
6	Group Fraud Risk Management Policy	The core governing principles for fraud management within the Group include leadership and ethical culture, fraud awareness, detection, reporting and escalation, as well as fraud response with appropriate corrective actions. The Group aims to promote consistent organisational behaviour through the development, implementation and regular review of fraud prevention, detection and response strategies.
7	Policy on Related Party Transactions ("RPT")	The reporting and review process for RPTs is aligned with the Bursa Malaysia Listing Requirements, Companies Act 2016 and Capital Markets and Services Act 2007. The guiding principles are to avoid conflicts of interest as well as promote transparency and accountability in its related party transactions by conducting RPTs on an arm's length basis.
8	Gifts and Hospitality Guidelines	The standards of conduct for giving and acceptance of gifts and hospitality, including business entertainment, are designed to help the Group and its employees understand respective parties' obligations in upholding corporate integrity.
9	Group Fit & Proper Policy	The requirements to assess and determine the fitness and propriety of key responsible persons in RHB Banking Group.
10	Group Whistleblowing Policy	A proper mechanism and minimum standards are in place to guide all employees facing concerns over unlawful conduct, unethical occurrences or questionable practices that may adversely affect, to a material extent, the financial position or reputation of the Group. Furthermore, the Policy helps nurture a culture of accountability, integrity and transparency among employees within the Group. Under the Group Whistleblowing Policy, the Senior Independent Director is appointed as the main point of contact to receive complaints from stakeholders, including whistleblowing reports. In line with the spirit of transparency, RHB Banking Group's corporate website provides an avenue for staff and external stakeholders to raise their concerns through the Group's whistleblowing channel. The complaints raised are investigated by the designated recipients with support from the Senior Management. There are also other channels and avenues for any stakeholder to escalate reports to regulators and local enforcement agencies such as BNM, SC and the Malaysian Anti-Corruption Commission ("MACC").

Embedding Good Practices

- Ethics & Governance

Integrity

As a financial services group, upholding a high level of integrity and ethical standards is critical in the daily management of our business and operations. As part of our commitment to uphold integrity, the Board on 29 January 2020, approved the establishment of a Group Integrity and Governance Division to oversee integrity, ethics and corruption matters. The Group Chief Integrity and Governance Officer is responsible for ensuring that the Group's employees practise an excellent work culture with strong moral values in order to curb corruption, abuse of power and malpractice within the Group.

Driving a Positive Culture of Compliance


An effective compliance culture fosters a stable business environment in line with the Group's risk appetite and encourages employees to embrace professional business ethics and adhere to internal and external requirements.

RHB Banking Group's compliance function, which acts as the second line of defence, comes under the direct oversight of the Board of Directors with the Group Chief Compliance Officer overseeing the compliance risk management of the Group for Malaysia and its overseas operations.

The Group is committed to upholding good governance principles and regulatory compliance. These principles are further outlined in the Group's Compliance Management Framework and Policy, which serves as an important guide for the Group and its employees to enable incorporation of compliance best practices throughout the Group's business.

Highlights in 2019:

- Strengthening of AML/CFT monitoring process through implementation of robotic process automation and centralisation of AML transaction monitoring, system upgrading as well as the enhancement of AML policies.
- Rolled-out the Compliance Culture Programme to promote compliance culture through staff engagement sessions such as "A Branch & Compliance Day Programme", which saw the participation of 42 branches. This resulted in improved understanding between the compliance team and staff, especially on the challenges faced by branch representatives in ensuring compliance when undertaking their daily duties.
- Increased compliance reviews and assessments of high-risk areas of concern, resulting in enhanced oversight responsibilities that consequently mitigated regulatory compliance risks.

 To read more on RHB's Ethics and Governance, please refer to the following sections and pages in the RHB Integrated Report 2019:

Sections	Page No.
Governance for a Sustainable Business	106 - 122
Corporate Integrity and Ethical Business Conduct	119
Group Compliance	116 - 118
Risk and Opportunities	52 - 59
Statement on Risk Management and Internal Control	132 - 140

 For the Corporate Integrity Statement, please visit <https://www.rhbgroup.com/files/others/about-us/corporate-governance/rhb-bank-berhad/Corporate-Integrity-Statement.pdf>

Data Protection & Cybersecurity

Protection of client data and information is paramount in the financial services industry. We are committed to ensuring that our information technology (IT) and cybersecurity systems and processes are adequate, efficient and effective in protecting the Group's information assets and client information.

RHB Banking Group is guided by its Group IT Security Framework, Policy & Guidelines as well as its Technology Risk Management and Cyber Resilience Framework. These govern our approach to banking secrecy and personal data. We are also guided by an overall Group Risk Management Framework and have appointed a Chief Information Security Officer. An external independent auditor has also been appointed to conduct annual reviews of our IT processes and systems.

To promote stronger governance in the management of cybersecurity, the Group's IT Security Operations, IT Security Risk Management and IT Security Audit are separately operated to facilitate a three (3) Lines of Defence structure. Our IT systems have ISO/IEC: 27001 certification, which covers RHB Internet Banking, Mobile Banking, Reflex and Payment System, further validating our commitment to data protection and cybersecurity.

Building Capability and Raising Awareness

RHB is currently enhancing its capabilities to mitigate data breaches and cyberattacks by implementing an Enterprise Cyber Threat Intelligence Platform to detect, search and stop malicious activities on our IT systems. We have also made e-learning and training programmes that cover data privacy mandatory to raise the level of security awareness among employees.

We continuously raise awareness through regular emails to all RHB staff detailing the latest modus operandi of hackers and how to avoid falling victim to them, as well as outlining the Group's policy on the usage of social media.

Group Risk, as the second line of defence, has now taken the extra step of performing periodic assessments on the effectiveness of the implemented controls in mitigating cyber threats. Weaknesses detected shall be promptly addressed by the first line of defence.

The Group has also put in place a process to assess the risks associated with third parties. Depending on the nature of the contractual relationship, these third parties shall be regularly assessed as part of the third party due diligence process. This includes requesting for responses from third parties with reference to the Group's enhanced due diligence checklist. To strengthen the existing contractual terms, clauses such as the right-to-audit, maintaining confidentiality and non-disclosure were added into the agreements.

The Group is also protected by a Cyber Enterprise Risk Management Insurance Policy.

Challenges



Demands on governance, regulation and risk management from regulators and industry partners to be cyber resilient



Emerging cyber threats, such as zero-day attacks, advanced ransomware, malware, system obsolescence and disruptive technologies



Fintech disruptive technology, crowdfunding, e-wallets, investment in cryptocurrencies and the soon-to-be-issued virtual banking licences

How We Respond

- Enhancing the Group's systems and policies to ensure we are in line with or beyond market and regulatory expectations

- Implementing the three lines of defence model to promote better governance and independence in the area of cybersecurity
- Implementing the defence-in-depth strategy by investing in suitable security tools/devices to address emerging cyber threats, continuously conducting education and awareness campaigns for users and promoting a strong risk culture
- Continuously identifying, refreshing and replacing to address system obsolescence

- Making a concerted effort to ensure RHB's presence is felt in the digital world through embracing web-based technology, using social media platforms and digital marketing
- Enhancing customer experience by removing customer pain points
- Partnering with fintech companies

Embedding Good Practices

- People and Workplace

People and Workplace

As the Group moves forward together with its 14,345 employees—one of its most important stakeholder groups—we continue to foster talent development while embedding sustainability practices in the management of our human capital. To ensure long-term growth of our business, we manage our diverse workforce by prioritising talent management, employee training and education, employee health and safety as well as diversity and equal opportunity.

Our focus areas and key priorities for 2019 were:

Human Capital Productivity	Recruitment & Selection	Talent Management	Learning & Development	Performance & Rewards	Employee Engagement
Manage Human Capital Productivity through prudent headcount management, improved front office: back office composition and enhance HR analytics and technology platform to increase productivity.	Provide effective hiring and on-boarding experience and amplify online and offline activation of employer branding.	Strengthen leadership pipeline through talent identification and assessment of talents, and accelerate development of high-potentials to improve leadership bench strength.	Implement FORWARD (Future-Oriented and Ready Workforce – Advancing, Reskilling and Developing) with a holistic look at the Workforce of the Future and enhance the professional standards and technical / functional competencies of our employees.	Implement enhanced Performance Management System (PMS) and enhance the Group's total rewards framework to be competitive with the market.	Enhance Employee Value Proposition with high-impact initiatives including Health & Wellness, and drive engagement among the youth through RHB Youth Council.

Talent Management

Talent management remains key to realising RHB's FIT22 strategic aspirations, as well as its goal of becoming a preferred employer. We aspire to be a preferred employer with a highly productive, Agile and engaged workforce that delivers exceptional services to our customers. The Group manages our talent by prioritising talent development and management, which are major elements of succession planning and building the leadership pipeline.

Our goal is to build a workforce that is diverse and future-proof, while we focus on talent attraction, retention and development.

How we evaluate our talent management:

- By engaging with GMC members through a Group Talent Review ("GTR") held semi-annually to facilitate an open and robust discussion on succession planning for key and critical positions within the Group
- By carrying out post-GTR calibration after each GTR while monitoring talents' progress in development, readiness and leadership ability

Except for temporary employees, all RHB employees also undergo an annual performance review as stated in our internal policies.

OUR WORKFORCE COMPOSITION



AGILE@SCALE

In 2018, we embarked on our journey to adopt a winning operating model by embracing the Agile way of working across the entire organisation. This made RHB the first bank in Southeast Asia to scale Agile across the organisation. Agile was the Group's answer to help empower its employees to work with maximum flexibility and minimum hindrance while keeping the customer's interest at the heart of everything that we do.

To learn more about Agile and how our people have been empowered, please turn to page 50 in the RHB Integrated Report 2019.

We continue to strengthen our talent engagement through our Employee Value Proposition ("EVP") and initiatives such as differentiated approaches to remuneration and local hiring.

EMPLOYEE VALUE PROPOSITION ("EVP")

Effective employee engagement will help drive organisational goals and achieve results that lead to increased productivity. Our workplace is built on the following five pillars of our EVP:

RHB Cares	RHB Leads	RHB Inspires	RHB Progresses	RHB Rewards
We are a responsible employer that actively responds to and recognises the needs of our stakeholders, and diligently practises transparent communication	Our visionary leaders are passionate about sponsoring a culture of inclusiveness, aligning all employees with common goals	We strive towards a high-performance culture that empowers employees to discover their true potential	We offer accelerated growth and progression, with focus on a continuous learning experience coupled with regional mobility for a holistic experience via our comprehensive talent management practices	We reward competitively through a robust pay-for-performance policy that is benchmarked against the industry

GREAT TEAMS, DYNAMIC WORKPLACE

At RHB, we take PRIDE in our people and our teams. Great relationships built on trust, a "leading it right" environment, challenging assignments and a culture of excellence are the pillars of the dynamic workplace we call home.

Embedding Good Practices

- People and Workplace

RHB employees are inspired and motivated to achieve high-performance delivery through the following programmes under the EVP:

	RHB Cares	RHB Leads	RHB Inspires	RHB Progresses	RHB Rewards
Ongoing	<ul style="list-style-type: none"> Employee Engagement Budget Flexible Work Arrangements Community Weekend Indoor/Outdoor Sports & Recreational (by RHB SRC) RHB Wellness Programme 1.0 	<ul style="list-style-type: none"> Chat with GMD and GMCs Group Senior Leadership Forum ("GSLF") Formal Mentoring for Talents Maximising Employee Performance ("MEP") Programme Quarterly Town Hall Meetings 	<ul style="list-style-type: none"> Leadership Talk Series Employee Engagement Survey ("EES") Internal Customer Effectiveness Survey ("ICES") Leaders/ Talents / High Performers Sharing Session Workplace by Facebook RHB Youth Council ("YC") 	<ul style="list-style-type: none"> Leadership & Technical/ Functional Learning Series Harvard ManageMentor® Talent Mobility / Job Rotation - incl. regional rotations Learning Week RHB Leadership Signature Programme Toastmasters Club 	<ul style="list-style-type: none"> RHB Employee Awards RHB Way Awards RHB Annual Dinner RHB Movie Night Differentiated Rewards - Performance Bonus and Increment Benefits Review
New / Enhanced in 2019	<ul style="list-style-type: none"> RHB Wellness Programme 2.0 Community Health & Safety Campaign Quit Smoking Campaign 	<ul style="list-style-type: none"> Branch Adoption/Visits by GMC and L4 Leaders - RHB Way and Community Banking 	<ul style="list-style-type: none"> Everyday Heroes for All Time RHB YC - International Youth Day & FitCycle 	<ul style="list-style-type: none"> FORWARD Programme 	<ul style="list-style-type: none"> RHB Recognition 1.0 New / Enhanced Benefits
Planned Initiatives in 2020	<ul style="list-style-type: none"> RHB Wellness Programme 3.0 	<ul style="list-style-type: none"> FIT22 Roadshow RHB Manager Programme Right Start Programme 	<ul style="list-style-type: none"> RHB YC initiatives Workplace - Collaborate, Connect & Automate 	<ul style="list-style-type: none"> Enhanced Career Management Framework FORWARD Revamp Workforce of the Future 	<ul style="list-style-type: none"> RHB Recognition 2.0 RHB Sports Carnival New / Enhanced Benefits - flexibility

Benefits for RHB Full-time Employees (excludes temporary or part-time employees)

We care for our employees by providing comprehensive non-wage compensation and welfare schemes in addition to their salaries. Our full-time employees in Malaysia enjoy the following benefits, among others:

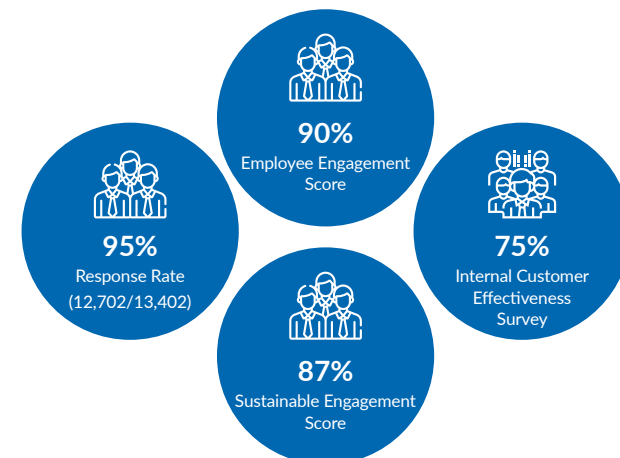
 <p>Life insurance</p> <p>Group term life insurance—RM150,000 to RM600,000</p>	 <p>Healthcare</p> <p>Available on an unlimited basis for outpatient treatment and hospitalisation</p>	 <p>Disability and invalidity coverage</p> <p>Group personal accident—RM150,000 to RM600,000</p>	 <p>Parental leave</p> <p>Maternity—90 days / Paternity—3 days</p>	 <p>Retirement provision</p> <p>Contribution of an additional 4% (above statutory requirement) of staff's basic salary to Employees Provident Fund ("EPF")</p>
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EMPLOYEE ENGAGEMENT

Employee Engagement Survey ("EES")

Engaging with our employees is vital for the Group in moving towards being a preferred employer. At the same time, it helps motivate our people to drive better outcomes.

We seek feedback from our employees on satisfaction and engagement levels through the annual Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey ("ICES"). In 2019, we conducted a Group-wide EES and achieved an Employee Engagement Score of 90%, which was better than the Malaysian financial services industry average of 89%.



Based on the EES 2019, our employees' concerns and expectations and the Group's approach in addressing these issues are shown below:

Identified Opportunity Areas and Action Plans

Key Insights	Opportunity Areas	Action Plans FY2020
<ul style="list-style-type: none"> Steady improvements across all Engagement questions with 9 out of 10 employees proud to be associated with RHB, believing strongly in the Group's strategic direction and willing to go above and beyond to help RHB succeed. The perception of obstacles in the workplace significantly improved with many employees citing the Agile way of working as a key factor in making things more efficient within RHB. 7 out of 10 employees would recommend RHB as a good place to work - this was largely driven by employees' pride in being with RHB, recognition of employees and perception of communication. 	<ul style="list-style-type: none"> Help employees connect with the broader purpose and with RHB's FIT22 strategy. Provide avenues for Senior Leaders to further connect with employees. Employees also wished to be more informed of matters that affected them (i.e. Agile implementation). Leverage on supervisors/ managers in driving team efficiency through appropriate work allocation and effective performance and career development discussions. Continue to build on RHB's image and value proposition among employees and identify barriers to providing good customer service. 	<ul style="list-style-type: none"> Leadership - Continue to give employees avenues to connect with Senior Management to understand FIT22 roadmap. Communication - Supervisors to play an active role in articulating changes across RHB, i.e. Agile implementation. Image - Leverage on RHB Way to help employees understand RHB's key differentiators. Efficiency - Train supervisors to role model the behaviours of effective leaders within RHB. Career Development - Develop a more robust Talent Development framework.

Awards:

<p>MALAYSIA BEST EMPLOYER BRAND AWARDS 2019</p> <ul style="list-style-type: none"> Best Employer Brand Award Award For Excellence In Training Award For Talent Management Best Candidate Experience 	<p>HR ASIA RECRUITMENT AWARDS 2019</p> <ul style="list-style-type: none"> In-House Recruitment Team of The Year Best Employer Branding Best Graduate Recruiter Of The Year Best Campus Recruitment Strategy Best Candidate Experience— In-House HR Team 	<p>HR EXCELLENCE AWARDS 2019</p> <ul style="list-style-type: none"> Excellence in Employer Branding Excellence in Recruitment 	<p>HR ASIA BEST COMPANIES TO WORK FOR IN ASIA 2019</p> <ul style="list-style-type: none"> Award recipient for 7th consecutive year 	<p>MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS 2019</p> <ul style="list-style-type: none"> Most Popular Graduate Employer in Banking & Financial Services (First Runner-Up)
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Embedding Good Practices

- People and Workplace

Diversity, Equality And Inclusion

As a regional financial services provider, diversity and inclusivity is vital to enable us to maintain a dynamic workplace. We know that it is always the little things that make all the difference, so we make sure that every aspect of our work culture provides for a diverse and inclusive workforce.

We are committed to promoting and maintaining a diverse and inclusive workplace across gender, age, ethnicity, religion, differently-abled and nationality.

For this purpose, we are committed towards:

- Providing equal opportunity to a diverse workforce based on skills and expectations to enhance our ecosystem;

- Creating a safe and comfortable working environment that fosters collaboration, co-creation and a supportive employee network;
- Seeking out diverse opinions and feedback to deliver better informed decisions;
- Encouraging open discourse on diversity and being inclusive at the workplace to promote internal engagements and foster a sense of belonging; and
- Recognising cultural differences and special needs of our workforce and effect measurable change to address them.

Together, our journey to create, encourage and support an even more diverse and inclusive culture continues in line with our belief that progress is indeed for everyone.

For 2019, we recorded:

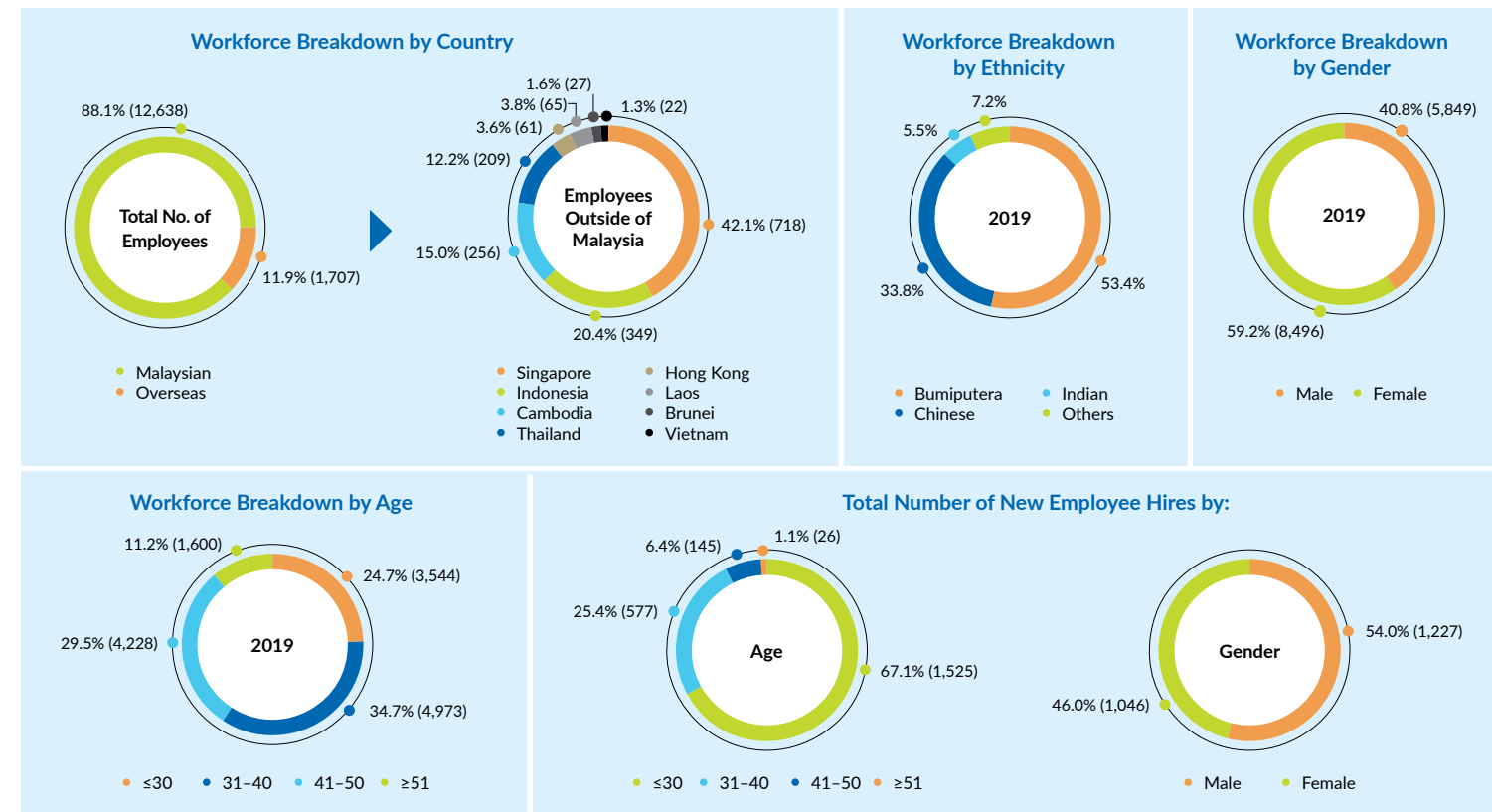
- No incidents of discrimination or risks to freedom of association and collective bargaining
- No incidents or risks reported of child, forced or compulsory labour
- No recorded violations of human rights involving indigenous people

Fair Recruitment and Local Hiring

We support local employment of Malaysians irrespective of race, gender, age or disability through rigorous employment of local talents, who constitute a large majority of our employee population. We focus on merit-based hiring practices and strive towards inclusion and equal opportunity across the organisation, including at management and board level. The Group practises fair, equitable and free-from-bias and discrimination selection for employment. The selection process is also based on the applicant's qualifications and individual merit, assessed against identifiable selection criteria. These are also included for evaluation as the applicant's level of expertise and/or range of experience.

DIVERSITY OF WORKFORCE

We break down the diversity of our workforce according to four key indicators—age, gender, ethnicity and nationality, as shown in the following illustration:



Note: Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

CELEBRATING PARENTHOOD

In 2019, we celebrated Mother's Day and Father's Day in recognition of working parents' contribution to the Group.

Mother's Day:
A Mother's Day Panel talk entitled "In Conversations: Mothers with Careers" was held on 9 May, where four RHBian mothers with diverse backgrounds shared their experiences in balancing worklife and motherhood. The event received positive response from the attendees, who also took part in a question-and-answer session after the talk.

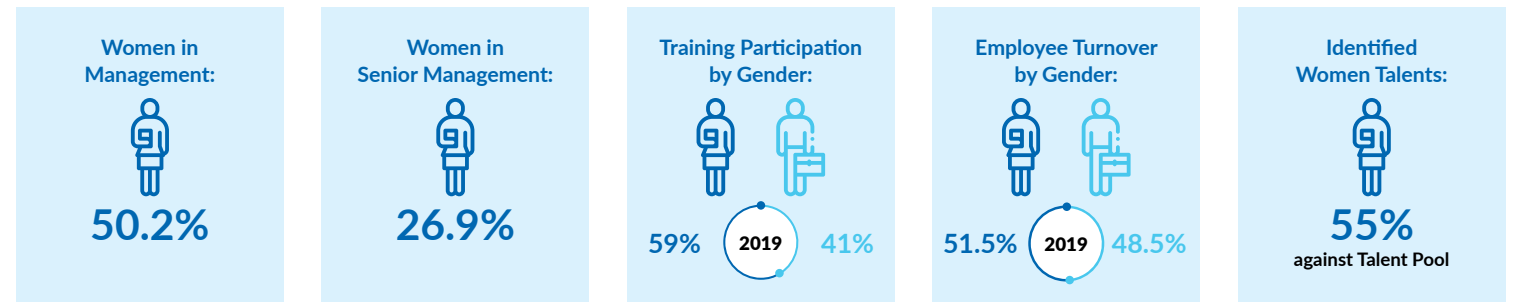
Father's Day:
In conjunction with Father's Day, several father figures in RHB were highlighted through interviews that were featured in a series of online posters. The stories, which highlighted the fathers' relationship with their children as well as how they strive to be role models to their families, were posted on RHB Workplace and received positive response.

EMPOWERING WOMEN

RHB believes that gender diversity is imperative for business sustainability, as more corporate organisations increase women's participation in the workforce. Women's representation goes beyond the ratio of men to women; it includes the gender mix across all levels in an organisation, career advancement, learning and development opportunities and employees with families.

We also ensure a family-friendly workplace by providing nursing rooms, three-month maternity leave and flexi-hour work arrangements.

Women's Participation in RHB:



RHB GEN-Y YOUTH COUNCIL

Empowering and Recognising Youth

What is it?

- A platform set up in May 2018 to promote youth empowerment among employees and to nurture future leaders of RHB.
- It is aligned with the Group's pursuit of nurturing talents in preparation for change and in managing future challenges.
- Its mission is to generate exciting and outstanding ideas that can benefit the Group as well as act as an internal advisory body.

What are its objectives?

- To provide a platform for young leaders to engage, exchange ideas and have their voices heard on matters that will shape their future and their careers within the Group.
- To spur innovation and creativity in achieving the Group's aspiration of becoming a digital-centric bank.
- To provide opportunities for young RHB leaders to be involved in problem-solving and decision-making processes.
- To serve as a showcase to the rest of the organisation of our commitment to greater empowerment and dynamism among the youth.

What has it achieved to date?

Spearheaded and participated in key projects such as:

- Instilling awareness on FIT22 through the RHB F.I.T Challenge—an employee engagement and enculturation event.
- Revisiting the processes and requirements of the RHB Internship Programme with the objective of attracting more young talents to RHB.
- Helping to review existing employee benefits and assessing the feasibility of introducing an RHB Recognition Programme.
- Organised Youth Week in celebration of International Youth Day.
- Organised RHB FitCycle, an initiative in line with RHB's overall cycling-related branding initiatives and that fit well into the RHB cycling ecosystem.

Embedding Good Practices

- People and Workplace

Engaging with RHB Youth during Youth Week

RHB celebrated youth throughout the second week of August in conjunction with International Youth Day on August 12. The main aim of Youth Week was to engage with the youth and find out what it meant for them to be part of the Group. Among the highlights of the celebration were:

- The youth were encouraged to post their thoughts on a wall about what it meant to be a youth in RHB
- An online survey was held for the participating youth to channel their honest opinions

The online survey garnered responses from 355 employees aged 35 years and below. About 73% of the respondents said they believed that RHB would allow them to maximise their potential. The survey acted as a platform for the youth to raise their issues of concern, which were then assessed against the Group's existing initiatives or future plans. The assessment allowed the Youth Council to better advise and provide solutions or proposals to make RHB a more dynamic, inclusive and caring workplace.



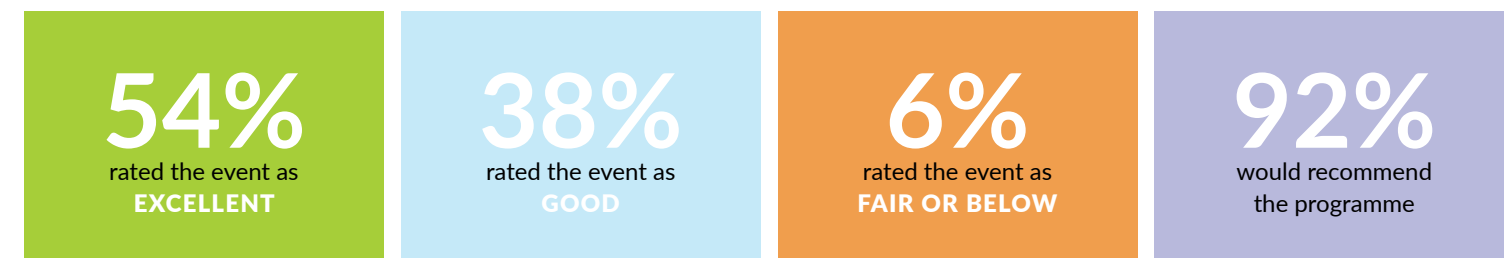
Engaging in a Healthy Lifestyle - RHB FitCycle

We organised an indoor cycling event that allowed RHB youth and other RHBians to experience spin cycling, a form of workout that focuses on endurance and strength using special stationary exercise bicycles. The main objective of the event was to engage employees who may not be involved in other forms of outdoor cycling.

Held on 6 December, the event received an overwhelming response from RHBians, where about 170 of them signed up for the 144 limited slots. 60% of the participants were below 35 years old, i.e. the youth segment.

Almost all the participants commended the programme and hoped to see it return. The event also successfully attracted employees who were not part of RHB's previous wellness events.

A total of 62 participants responded to the event's feedback survey, which showed that:



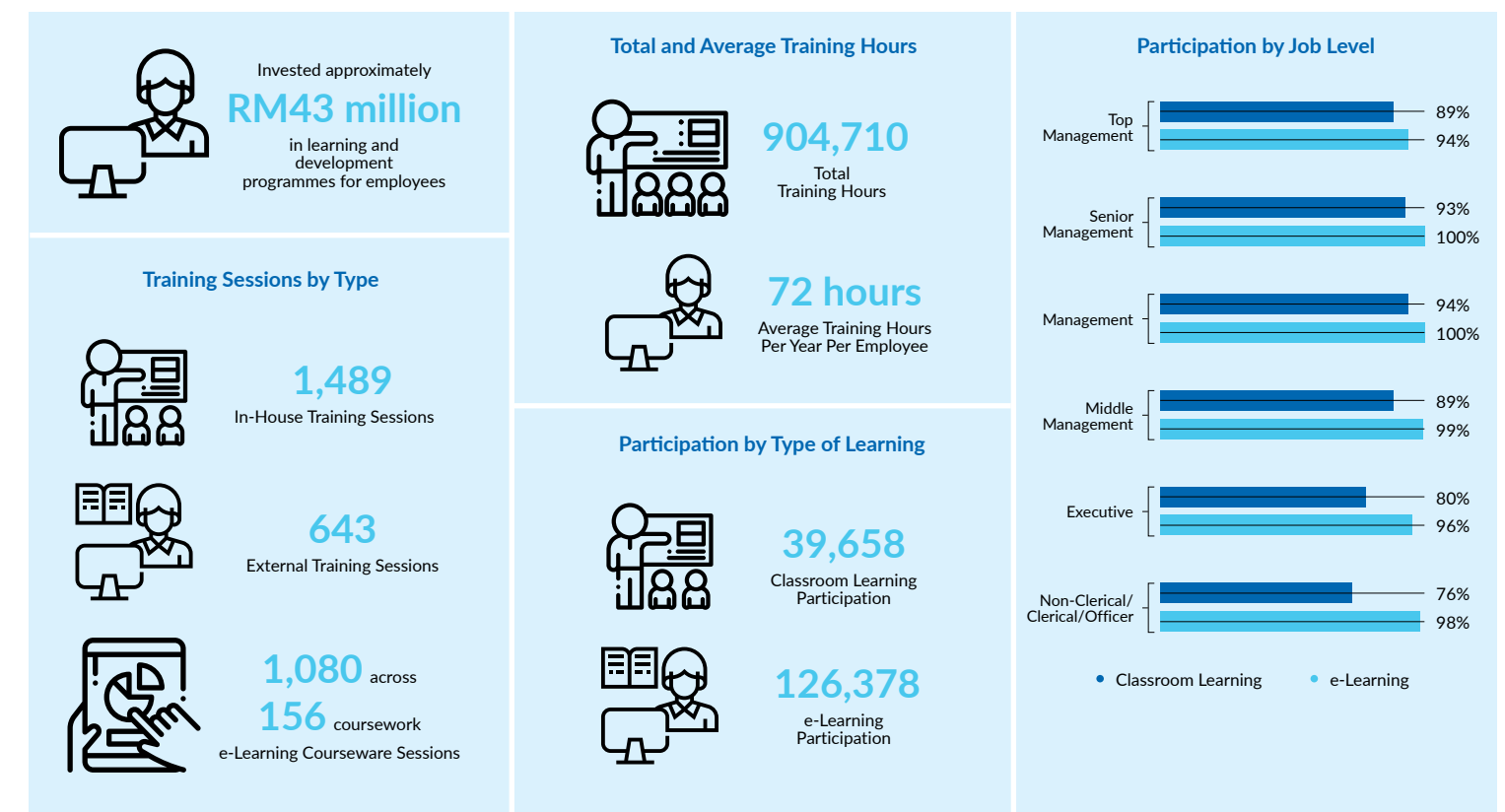
Apart from the Gen-Y Youth Council, RHB also acknowledges the importance of the development of unemployed youth. The Group offers internship programmes, holds university engagement sessions and participates as an employer in the SL1M Trainee programme. In addition, the Group identifies high-quality young talents for our robust and holistic Master of Arts degree programme to nurture future leaders within the organisation.

Employee Training and Education

In a rapidly evolving banking environment, it is vital for the Group to ensure that our employees are well-equipped to face new challenges and innovate change. A highly engaged and well-supported workforce will future-proof our organisation, giving us the ability to stay relevant and Agile while delivering the Group's FIT22 strategic aspirations.

We equip our employees with the right sets of development skills and tools to expand their professional growth opportunities and to maximise their potential. We enhance our internal and external learning and development programmes based on RHB's Learning Needs Analysis. Our strategy is to develop our employees through comprehensive and structured learning programmes that comprise impactful leadership programmes, instructor-led classroom training and virtual/e-learning modules for employees across all levels of the Group.

In 2019, the Group invested approximately RM43 million in the training and development of our people. A total of 12,600 employees attended both soft skills training and technical training.



The FORWARD Programme

FORWARD: Future-Oriented and Ready Workforce—Advancing, Reskilling and Developing




- Objective—To future-proof employees by upskilling them to be competent in future roles and enhance productivity
- What it does—Places all employees in a mass upskilling programme that includes digital and Agile skills as well as soft skills of the future. Selected employees also undergo a process of redeployment for better exposure
- Why FORWARD?—To respond to factors that are shaping the future workforce, such as fintech innovation, regulatory reforms, regional and international integration and shifts in consumer demographics and preferences
- How FORWARD helps—Enhances employees' skills and prepares them to fulfil future workforce needs. The programme has a positive impact on employees with more than 2,000 employees having been trained
- The initiatives are the Essential Soft Skills Learning Series, Digital Learning Series and Agile Learning Series

Embedding Good Practices

- People and Workplace


Structured and Holistic Development

At RHB, our employees undergo structured and holistic training and development programmes that have been prepared according to the RHB Learning and Development Architecture established by the RHB Academy in 2016, which cover key learning and development areas and components to increase employees' opportunities for professional growth.




What is it?

- It is a platform to drive learning and development programmes and initiatives



What significant impact does it have on RHB?

- It is a transformative shift in learning approach that enables employees to experience a learner-centric environment complete with a competency-based curriculum



What does it do?

- It revolves around four components—Learner Context, Learning Experience, Learning Content and Learning Environment—to ensure comprehensive learning and development for RHB employees
- It identifies the three key areas of RHB's learning and development approach:
 - Aimed at individuals who are subject to developmental activities such as senior leadership, mid-level leaders and front-line managers, among others
 - Ensures these individuals attain the organisation's objectives
 - Provides learning programmes, job rotations, coaching and stretch assignments for these individuals to work towards the objectives

Leadership and Management Programmes

RHB Academy has designed a structured and integrated learning solution under its Leadership and Management learning offerings. This allows for a more balanced development of our employees by ensuring further emphasis on their leadership and management skills on top of their technical skills.

Total No. of Courses

20
2017

23
2018

46
2019

In 2019, we conducted 46 courses with 2,753 participants under various leadership and management programmes.

Total No. of Courses

46

Total No. of participants

2,753

Our leadership and management programmes are as follows:

	No. of Participants
Leadership & Management Programmes	2019
Foundation Programmes:	
Advanced Management Development Programme ("AMDP")	11
Maximising Employee Performance ("MEP") Programme	212
RHB Culture Connection Workshop	1,283
Signature Programmes:	
RHB Leadership Signature Programme (with Melbourne Business School)	453 (2 cohorts)
Core Programme for Front-Liners (Sales Channel)—Islamic Finance Core Products ("IFCP") Programme	794

The collaboration with Melbourne Business School offers three courses, namely Foundation of Leadership Programme, Emerging Leaders Programme and Transition to Business Leadership.

Since 2016, we have enrolled a total of 28 employees in Executive Education Programmes under the AMDP Programme. The programmes were held in renowned business schools such as IMD Business School, Columbia Business School, Cass Business School, Cambridge Judge Business School, University of Chicago Booth, Harvard Business School Alumni Club of Malaysia and London Business School.

Employees who attended the AMDP programmes will then share their knowledge and learning insights under the RHB Leaders Knowledge Sharing Sessions organised centrally by RHB Academy. In 2019, we successfully completed nine Knowledge Sharing Sessions by RHB leaders. The topics highlighted were:

- Global Challenges for Banking
- Tools for an Effective Strategy Formulation
- Artificial Intelligence in the Financial Markets
- How Countries Compete in the Future of Global Competition
- Corporate Strategy
- Building a Resilient Organisation through Leadership and Disruption
- Behavioural Finance and Banking: Leading Strategic Change and People Risk Management
- The Balance between Alternative Biz Model and Biz As Usual
- Driving Digital Transformation for Future Leaders—Building an Ecosystem Advantage

Mentoring Programme

The Mentoring Programme pairs identified talents with mentors and enables periodic assessments and tracking of the mentorship. It aims to significantly improve RHB leadership competencies, enable talents to better realise their professional and personal development goals and improve the Group's capability to build talent internally.

The Group identifies talents through:

- Performance—the ability to achieve superior results and demonstrate behaviours that are aligned to the Group's core values.
- Potential—the capacity to take on increasingly critical, complex and/or challenging roles.

The Group has also put in place an Individual Development Plan ("IDP") to identify and address the individual's learning gaps. To further strengthen the Group's succession planning and leadership pipeline, talent management is included in the key performance indicators ("KPIs") of the Group Managing Director and his direct reports and is measured against a Talent Management Index.

Mentoring Journey




Mentors
2019: 46
2018: 109 | 2017: 35



Mentees
2019: 73
2018: 147 | 2017: 128

The Net Promoter Score ("NPS") for the mentorship programme was 60% in 2019.

 Please refer to the RHB Sustainability Report 2018 for detailed information about the Mentoring Programme.

Embedding Good Practices

- People and Workplace

Technical and Functional Programmes

Technical and functional programmes will enhance employees' skills and eventually contribute to the Group's business sustainability and competitiveness. In 2019, we implemented 54 new technical and functional programmes.

Community Banking Programme

RHB's Community Banking programme is aimed at enhancing our Branch Managers' capabilities to better understand the needs of the local businesses and communities. We engage with SME business owners and leaders, government agencies, universities, schools and other points of interest through activities and financial deliverables to be achieved.

Please turn to page 32 in for more information on Community Banking.

Development Framework for Shariah Business

The Development Framework for Shariah Business enables Shariah Business employees to obtain the appropriate qualifications required.



Chartered Banker Programme

The Chartered Banker programme develops selected employees into qualified Chartered Bankers. It is the most prestigious and internationally recognised professional qualification in the banking industry. Having employees with certified Chartered Banker qualifications will help us achieve and maintain the highest standards of excellence and professionalism in our day-to-day operations. The following table shows the number of employees who became qualified Chartered Bankers through this programme.

Level	Number of Qualified Chartered Bankers		
	2017	2018	2019
Chartered Banker ("CB")	3	6	13
Professional Banker ("PB")	12	35	62
Executive Banker ("EB")	12	11	11
Total	27	52	86

In addition to the structured programmes, we also rolled out two Finance Workshops attended by 98 junior Investment Bankers ("IBs") to enhance the technical bench strength of our Investment Banking junior leaders. Besides that, we conducted two sessions of the RHB-INSEAD Analyst Programme that were attended by 70 junior IBs to enhance their skills in financial statement analysis, credit analysis and financial modelling, among others.

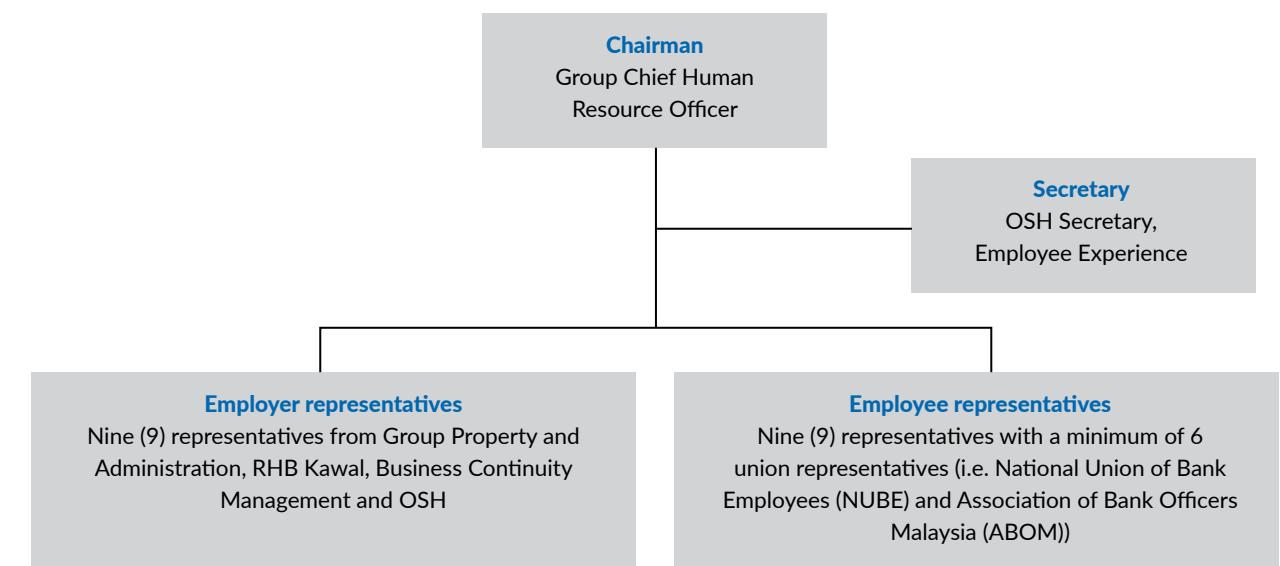
Employee Health, Safety and Wellness

The Group places top priority on the health, safety and well-being of our employees to foster a high-performing workplace. A safe working environment will improve employee morale and increase productivity, which are key to ensuring an Agile workforce that will contribute to the Group's FIT22 business strategy.

Occupational Safety and Health

We are committed to providing a safe and healthy work environment for our employees. The Group has in place an OSH Policy, which reaffirms the Group's commitment to comply with the requirements of the Occupational Safety and Health Act 1994 and other applicable laws and regulations of Malaysia.

The OSH Committee manages the OSH compliance programmes for the Group's operations in Malaysia. The OSH Committee comprises the following members:



Responsibilities

- Assists in the development of safety and health rules and safe systems of work
- Reviews the effectiveness of safety and health programmes
- Carries out studies on trends of accidents, near-miss accidents, dangerous occurrences, occupational poisonings or diseases
- Reports unsafe conditions and practices and makes recommendations for improvement
- Reviews and recommends improvements in the safety and health policy

Meeting frequency

- On a quarterly basis unless necessary to commensurate risks existent in the workplace
- In the event of an accident, near-miss accident or dangerous occurrence, meetings are called immediately

OSH Committee Training

OSH Committee Training ensures representatives from the Branch Safety Committee network are well-trained and fully certified in safety awareness at their respective branches. Facilitated by Department of Occupational Safety and Health ("DOSH")-certified trainers, the training is mandatory for nominated individuals in branches throughout the region.

In 2019, the OSH Committee conducted:

- Emergency Response Team Training for floor wardens
- A Community Safety and Health Awareness Campaign (including health screening)
- Group-wide communication on safety to create awareness

Embedding Good Practices

- People and Workplace

Ensuring a Safe Working Environment

We ensure a safe working environment by monitoring accident/ incident reporting. The Group provides an e-OSH reporting system, which facilitates the employees' accident/ incident reporting process and submission of incident reports electronically. We also conduct branch inspections and audits as well as investigations on accidents/ incidents.

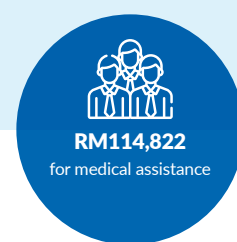
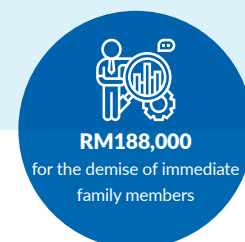
Based on assessments, the most common injury among our employees was slipped disc and lower back pain, contributing to most of the high-consequence and recordable injuries and ill health incidents. The main cause of this injury was found to be from the use of non-ergonomic chairs. As such, we took action to replace all our chairs with ergonomic ones and also provided workplace health tips on how to sit appropriately to avoid injury. In 2020, we will be undertake an Ergonomic Risk Assessment and provide ergonomic mouse pads to all our employees to further ensure they do not experience any injury while at work. Our OSH Committee also monitors accidents/incidents among contract workers and there were zero recorded fatalities and incidents in 2019. We are happy to report that there were no injuries among our contractors as we work closely with them to ensure all OSH standards are maintained.

OSH Indicators (Malaysia)	2017	2018	2019
Work-related injuries and illness			
Accident with Fatality	0	0	0
Accident with Lost Workdays	95*	66*	51
Total Lost Workdays	2,584	1,884	1,779
Accident without Lost Workdays	17*	12*	5
Total Number of Accidents	112	78	56
Fatality Rate	0	0	0
Work Commuting Accident	60	55	46
Work-related illness			
Occupational Disease	15	25	46
OSH training and programmes			
Number of Safety & Health Training Sessions	6	4	3
Number of Participants in Safety & Health Training Sessions	2,209	339	408
Number of Safety, Health & Wellness Programmes	5	7	4
Number of Participants in Safety, Health & Wellness Programmes	2,899	1,505	1,012

Employee Welfare Fund

The Employee Welfare Fund consists of collective financial contributions from participating employees for any employees who are in need. Set up in 2000, the fund is a safety net for those who have experienced an unfortunate incident such as a natural disaster, a medical emergency or death of family members.

This year, 6,023 employees contributed to the fund and the following amount was disbursed:



Note:
* Restatement of data reported due to change in scope of data, where total number of accidents comprises work commuting accident, dangerous occurrence, near-miss accident and workplace accident; does not include occupational disease or others.

Employee wellness is a priority at RHB. It is our responsibility to ensure a safe and healthy working environment for employees while keeping them motivated and Agile. We believe our employees need a healthy mindset while at work as well as a channel to address their health needs. Thus, the Group implemented the RHB Wellness Programme to drive holistic healthy living for the mind, body and soul among employees.

Inspired by RHB Cares, one of the five pillars of the EVP, the RHB Wellness Programme promotes a holistic wellness culture among RHBians. The programme aims to increase employee awareness and engagement in health and wellness as well as cultivating a healthy lifestyle among employees.

RELATIONAL

- Occupational
- Lifelong learning
- Spiritual
- Family
- Safety

Initiative:

- RHB Community Safety and Health Awareness Campaign

EMOTIONAL

- Psychological Mind
- Resilience
- Intellectual

Initiative:

- Mental Health Talk

PHYSICAL

- Food/nutrition
- Body
- Sleep health

Initiative:

- RHB Wellness Programme

ENVIRONMENTAL

- Community Career
- Social Volunteerism

Initiative:

- RHB Touch Hearts

Objectives of the programme:

- To increase employee awareness and engagement in health and wellness
- To cultivate a healthy lifestyle among the workforce as part of RHB's wellness programme
- To educate RHBians on a comprehensive diet plan and on physical exercise for them to achieve a more balanced body weight at the end of the programme
- To advise RHBians about the risks of obesity, high cholesterol and other endogenous health conditions

In 2019, the Group approved a budget of RM1 million for wellness programmes, almost a 400% increment from the previous year's RM213,000. We planned to enhance employee wellness by introducing more robust initiatives and offering a more holistic wellness programme for all employees.

RHBians are regularly updated on the latest wellness programmes such as quarterly lunch hour health talks and basic health screenings via email and RHB's Facebook Workplace.

RHB Wellness Programme 2.0

In September 2019, we launched the RHB Wellness Programme 2.0, which further validated our commitment to keeping our employees motivated and active in the workplace. We worked closely with external vendors PMCare Sdn Bhd and Naluri Hidup Sdn Bhd to plan and implement the programme. Conducted from September 2019 to January 2020, the programme covered 12 sessions of physical training, diet consultation, health screening and health talks, where six of the talks were held every two weeks for three months.

The programme attracted a total of 200 employees participating in 12 activities from September 2019 to January 2020.

The programme was enhanced with the RHB Wellness mobile application for the participants to monitor their health and wellness performance. Besides enabling them to get in touch with the programme's psychologist, medical advisor, dieticians and fitness coaches, the app allowed RHB's Management to obtain a summary report of the participants' performance and medical reports, as well as the leader boards and group channels.



Embedding Good Practices

- People and Workplace



▲ Fire Drill at RHB Jalan Tun HS Lee with RHB's Emergency Response Team (ERT) and Fire Services (Bomba)



RHB Community Safety and Health Awareness Campaign

The Community Safety and Health Campaign was a four-day event held at RHB Centre in Kuala Lumpur. The campaign promoted the overall safety of RHB employees, which included safety when commuting to work. The campaign had booths and talks on various safety topics such as practical crime prevention, safety awareness and mental health. A total of 651 participants rated the campaign as good.

Among the activities held were:

- Practical Crime Prevention Talk—To promote a better understanding of crime, especially of criminals' behaviour and intention and how to react. The talk taught employees to be cautious and how to reduce the risk of becoming victims in cases of crime such as smash and grab, carjacking, car theft and snatch theft, as well as online scams such as the Macau Scam

- Mental Health Talk—To raise awareness about mental health, which is an issue that is becoming more serious and rampant, leading to economic losses to individuals and employers and lost productivity at work
- Awareness booths—Several booths were set up to promote awareness on various topics such as cardiopulmonary resuscitation ("CPR") lifesaving techniques, choking, fire extinguisher training, health screening and blood donation.

We continue to post videos and infographics on safety and health on RHB's Facebook Workplace to promote health and safety awareness among employees throughout RHB.

Blood Donation Campaign

RHB has been collaborating with Pusat Darah Negara, Kuala Lumpur, to promote blood donation since 2007 to raise awareness among employees. The campaign was held at RHB Centre and RHB Complex in the Klang Valley with an average of 65 existing and new donors. We also invited our customers and members of the public to join the campaign.

- RHB Centre: 80 donors—25 July 2019
- RHB Complex: 38 donors—1 August 2019

Quit Smoking Challenge

RHB launched the Quit Smoking Challenge to encourage employees who smoked at RHB Centre and nearby branches to quit smoking and create a healthier workplace. This challenge also helped us to improve the overall health and efficiency of our employees.

Open to RHB Bank employees, this programme was on a voluntary basis and comprised health screening, consultation sessions with professional quit smoking educators, online reporting and quit smoking medication. Out of 43 employees who participated, 37% quit smoking and 49% reduced smoking by 50%. Employees who successfully quit smoking received a certificate.

Promoting a healthy diet

We believe a healthy diet plays an important part in the overall wellness of our employees. Due to our initiatives to promote a healthy diet, our cafeteria was accorded the Cafeteria BESS Award by the Ministry of Health in November. This further validates the Group's commitment to ensuring the overall wellness of its people.

Embedding Good Practices

- Environmental Stewardship

Environmental Stewardship

Conserving natural resources is paramount for a sustainable future amid the growing population and rapid global development. As natural resources are finite, the rising competition among industries has the potential to limit economic growth and business opportunities. Environmental stewardship can be defined as the responsible use of natural resources through conservation and promotion of sustainable practices. At RHB, we respond by taking up the role of environmental stewardship through reducing the consumption of energy, water and paper as well as by implementing efficient internal processes to conserve natural resources. The Group focuses on managing its consumption of energy, water and paper as well as implementing efficient internal processes to conserve natural resources. We strive to implement eco-friendly practices within the workplace and improve on our environmental reporting and monitoring processes.



ELECTRICITY CONSUMPTION

In 2019, RHB Complex's water heater system was replaced with a solar heating system, which reduced the heating power consumption by about 70%. We also installed charging stations at RHB Centre for electric and hybrid cars. We will continue to monitor lighting switch-off practice among employees to minimise our electricity consumption.

In the last two years, all RHB branches across Malaysia underwent the second phase of LED lighting installation, following the initial success at RHB Centre and RHB Complex in the Klang Valley. LED lighting has a longer lifespan, lower energy consumption and lower maintenance costs. The new lights have brightened up RHB branches, creating a more vibrant mood and a safer environment for our customers.

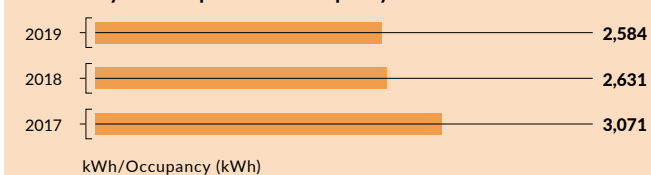
Other initiatives that we carried out included optimising chiller operation and controlling and limiting the installation of split unit air-conditioners in offices to ensure optimisation of energy usage, especially in RHB Centre buildings where the air-conditioning is centralised.

However, there was a slight increase in the Group's electricity consumption due to the expansion of our IT data centre with additional equipment and servers. The relocation of staff from rented areas into RHB Centre and RHB Complex also contributed to the increase. Our electricity consumption per occupancy, however, has reduced by 35% since 2016, which further validates our commitment to minimising our environmental footprint.

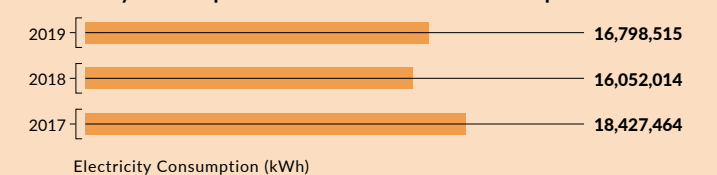
Electricity Consumption at RHB Centre and RHB Complex

Year	2017	2018	2019
Electricity Consumption (kWh)	18,427,464	16,052,014	16,798,515
Total Occupancy	6,000	6,100	6,500
kWh/Occupancy	3,071	2,631	2,584

Electricity Consumption Per Occupancy at RHB Centre and RHB Complex




Electricity Consumption at RHB Centre and RHB Complex



Embedding Good Practices

- Environmental Stewardship

We strive to conduct our business operations efficiently to minimise our environmental impact. Our efforts are guided by the Group's Sustainability Framework, which has incorporated environmental, social and governance ("ESG") considerations into our risk management practices.

 Please refer to Sustainable & Responsible Banking from page 28 to page 30 for information on ESG risk management and integration in our financing activities.

We are working towards integrating better environmental considerations in our business activities to ensure eco-efficiency into our operations.

In 2019, we monitored and reported on our energy (electricity), water and paper consumption for RHB Centre and RHB Complex Bangi in the Klang Valley, Malaysia. As we move forward, we will strive to expand our scope of measurement and reporting to include our branch network and regional operations. This includes streamlining the collection of data and establishing baselines and targets for our environmental footprint at the Group level.

WATER CONSUMPTION

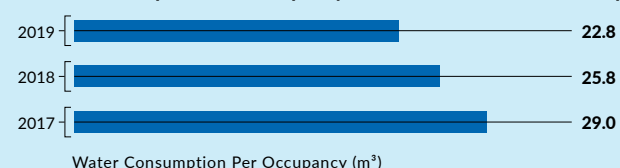


The water consumption per occupancy (m³) at RHB Centre and RHB Complex reduced by approximately 11% for the second consecutive year. Our initiatives to conserve water included replacement of domestic cold-water pipes to prevent leakage as well as regular inspection and proactive detection for water leakage. We also reused water from the sewerage treatment plant ("STP") for RHB Complex's landscape pond.

Water Consumption at RHB Centre and RHB Complex

Year	2017	2018	2019
Water Consumption (m ³)	174,000	157,380	148,200
Total Occupancy	6,000	6,100	6,500
Water Consumption Per Occupancy (m ³ Per Occupancy)	29.0	25.8	22.8

Water Consumption Per Occupancy at RHB Centre and RHB Complex



PAPER CONSUMPTION



We have made considerable efforts to reduce paper consumption, and the results have gradually improved over the years. This has been due to digitalisation, which has enabled us to incorporate environmental considerations into our business.

The initiatives to reduce paper consumption included practising green procurement where possible such as purchasing certified Programme for the Endorsement of Forest Certification ("PEFC") paper, which is from sustainably managed forests and controlled sources. We also consumed MIX-FSC paper from responsible sources. In 2019, we consumed about 1,000 reams (about 500,000 sheets) of paper less than the previous year based on actual purchase of paper.

We will continue to focus on digitalisation to reduce our paper consumption and encourage customers to move to e-banking and e-statements. Our e-statement penetration increased from 7.3 million to 11.8 million in 2019, an increase of almost 62%. This was due to our enhanced online banking system where RHB online banking customers are automatically enrolled for e-statements.

RHB Group's Paper Consumption (Based on Actual Purchase of Paper)

Year	2017	2018	2019
Paper Consumption (reams*)	188,871	171,373	170,292

* One ream has 500 sheets of paper

e-Statements Delivered (Malaysia Only)

Year	2017	2018	2019
e-Statements Delivered	5.2 million	7.3 million	11.8 million

ENCOURAGING AN ECO-FRIENDLY LIFESTYLE

RHB Banking Group aims to encourage eco-friendly lifestyles and habits among employees, which includes awareness communications and progressive implementation of environmental initiatives that support an eco-conscious culture in the workplace.



RHB's Eco-Friendly Initiatives:

"Did You Know" Campaign Series

- A thematic series of eco-facts, tips and interesting information to increase awareness among employees of the Group's environmental footprint
- Posters or communications were sent out digitally with a different theme every few weeks via Workplace
- The objectives of the campaign series were to:
 - Promote wastage reduction and conservation of natural resources within the Group
 - Inculcate sustainable habits among RHB employees in the workplace and beyond
 - Support efforts under the Group's Sustainability Framework towards Embedding Good Practices

Celebrating Earth Hour


- RHB joined the world for the seventh consecutive year to celebrate Earth Hour by switching off the lights at RHB Centre and RHB Complex
- The Group also encouraged employees to participate in Earth Hour and to be eco-friendly beyond the event through a message from the Group Managing Director and posters on RHB's Facebook Workplace
- A live countdown was launched on RHB Foundation's Instagram account to encourage followers to join in and switch off their lights during Earth Hour

Giving Back to Mother Earth



RHBians reached out to communities through various eco-friendly programmes under the RHB Touch Hearts initiatives. Through these initiatives, we:

- Donated RM14,000 to Zoo Negara and participated in the zoo's "Grow, Glow and Green" packages
- Participated in #trashchallenge and cleaned up natural attraction sites such as Kanching Waterfall in Rawang, Selangor and Ulu Dong in Raub, Pahang
- Engaged with Sg Dusun Wildlife Conservation Centre to support the conservation of the endangered Malayan tapir
- Participated in tree-planting activities with local communities such as mangrove tree-planting in Kuala Langat, Selangor

 Turn to page 90 to learn more about RHB Touch Hearts initiatives.

Embedding Good Practices

- Environmental Stewardship



▲ Representatives from RHB Sports & Recreation Club in Sabah, Malaysia

Collaborating to Protect Our Oceans

RHB Islamic Bank and Universiti Malaysia Terengganu ("UMT") entered into a memorandum of understanding on 15 July 2019, marking the start of our ocean-related initiatives at RHB.

The overall objectives of this collaboration and future ocean-related initiatives are to:

- Organise marine environment educational programmes as a medium for RHB Islamic and UMT to approach local communities;
- Increase community awareness on the importance of SDG 14: Life Below Water and ocean-related matters via educational and awareness campaigns for targeted groups;
- Support the government's commitment and efforts to protect and conserve the environment in the country; and
- Boost RHB Islamic's brand and UMT's image as leaders in the campaign to protect marine life and resources.

As part of this initiative, RHB will provide an e-platform to channel contributions from RHB customers and the public for UMT's research on oceanic conservation.

Keeping Our Oceans Clean

From 28 June to 1 July, a total of 18 divers from RHB Sports & Recreation Club's ("Club") diving team cleaned up dive sites at Mabul, Sipadan and Matakang islands in Sabah. This was proactively initiated and organised by the Club's main committee members and in collaboration with the Sabah Tourism Board. Club members from Sabah, divers from other diving clubs and local Sabah media members also joined in on this initiative.

The diving initiative was also coupled with beach-cleaning activities where the diving team together with 50 local villagers cleaned up Mabul Island's beach. Over the course of the four-day event, the team collected more than 10 big bags of plastic waste estimated to be about 70kg.

RHB's diving team also shared their knowledge on the consequences of unhealthy environments and the benefits of having clean environments with the villagers. This was to educate the Mabul community about the consequences of their actions if they did not contribute to ensuring a clean environment and ocean in the long run.



While in Lahad Datu, Sabah for a short period during this initiative, RHBians also identified five less-fortunate families in order to donate cash-in-kind and household supplies.

Going forward, the RHB diving team plans to further champion marine conservation by organising green diving programmes that will include the following activities:

- **Helping to Reduce Plastic Pollution** – Plastic pollution impacts sea turtles, seabirds, fish, coral reefs and countless other marine species and habitats. We are committed to participating in any event that reduces underwater impacts from marine debris and that prevents rubbish from ending up in the ocean
- **Ghostnet Campaigns** – Ghostnets are abandoned fishing nets left floating in the sea that end up trapping fish and other sea animals that eventually die in the nets. We look forward to collaborating with the Fisheries Development Authority of Malaysia to tackle this issue and recover abandoned fishing nets
- **Coral Propagation & Research Programme and Coral Planting** – For scuba divers, a great diving experience depends on the health of the aquatic ecosystem. Divers can unknowingly damage corals if they lack proper training. Our target is to acquire proper coral reef diving skills and learn about coral conservation through coral propagation programmes with local institutions, universities and corporate sponsors.

Green Data Centre

A green data centre, also known as a sustainable data centre, is responsible for the storage, management and dissemination of data using advanced energy-efficient technologies. At RHB, we acknowledge that energy remains the central component of our data centre while it continues to serve the most vital systems to ensure smooth daily operations.

Our data centre is in compliance with the Uptime Institute DC Tier III requirements. The centre is designed to optimise energy usage and thus reduce carbon emissions. We have been consistently developing the data centre into a Green Data Centre and will continue to do so by using data centre infrastructure management ("DCIM"). This tool will capture and store power utilisation in the electrical infrastructure to compute the power utilisation effectiveness ("PUE"), a metric used to measure the energy efficiency of the data centre. DCIM also monitors the status of facility points, sends out alerts once the facility usage exceeds a threshold and tracks asset inventory by location.

Data centre and server rooms certified with ISO 14644-1:2015 Airborne Particle Count: RHB Centre, RHB Complex, Menara AA and Kuching

RHB Data Centre consumes large amounts of energy while being the heart of the most vital systems that sustain our daily operations. In addition to being in compliance with the Uptime Institute DC Tier III requirements, the data centre was designed to efficiently optimise energy usage and reduce emissions, and is being continuously enhanced into a Green Data Centre.

COOLING TECHNOLOGIES

- Hot and cold aisle configuration
- Blanking panel to control airflow in the rack
- Raised floor plenum as delivery channel for cooling directly to the racks
- Grommet panel on raised floor tile to maintain positive air pressure under the raised floor
- Remove obstructions under raised floor and within racks for efficient cooling
- Usage of latest precision air-conditioning technology (EC fan \ technology, digital scroll compressor, ozone-friendly refrigerant gas R410)
- Reduce human traffic into data centre, preventing cooling loss to external environment

SAFETY

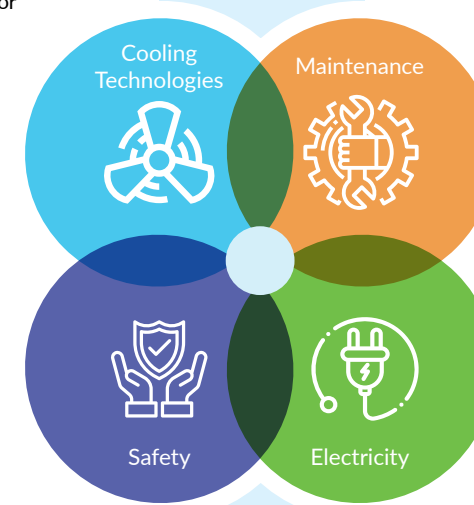
- Ozone-friendly fire suppression gas (IG55/ Argonite gas)

MAINTENANCE

- Refresh IT equipment every 3-5 years with the latest computing and energy-saving technology
- Upgrade and regularly service of electrical components to reduce energy loss
- Regular full load generator testing

ELECTRICITY

- LED lighting
- Virtualisation technology to reduce number of servers



To read more about our data centre, please refer to Green Data Centre on page 67 of Sustainability Report 2018.

Embedding Good Practices

- Environmental Stewardship








Climate Change

Climate change is one of the greatest global challenges of our time. As a regional financial services group, we acknowledge the role we can play in addressing climate change issues, supporting the transition to a low-carbon economy and assisting to meet the targets outlined in the Paris Agreement.

RHB Banking Group's approach to climate change is through the management of our own operational footprint, supporting our customers in the transition to a low-carbon economy and seizing opportunities created as a result of climate change. We will continue to enhance our approach to climate change in line with local and regional developments as well as the Group's sustainability journey.

To further demonstrate our commitment towards transitioning to a low-carbon economy, we replaced Emission Management with Climate Change as a material matter and raised the level of priority for 2019.

Climate-related Disclosure

 <p>Governance</p> <ul style="list-style-type: none"> We view climate-related matters as evidently being part of sustainability and falling under the purview of the Board of Directors, as part of our sustainability governance  <p>Please turn to page 16 for more information on Sustainability Governance.</p>	 <p>Strategy</p> <ul style="list-style-type: none"> We will evaluate the potential impacts of climate-related risks and opportunities on our operations, products and services as well as on our business strategy We are committed to support green activities through either lending, advisory and/or investments We approved RM246.21 million in loans for renewable energy projects  <p>Please turn to page 31 for more information on our commitment.</p>	 <p>Risk management</p> <ul style="list-style-type: none"> ESG considerations including climate-related risks are progressively integrated into our risk management processes Environmental risk is incorporated in the Group's Material Risk Assessment. Our Industry-specific ESG Risk Assessment Tool considers criteria such as environmental practices and climate change-mitigating measures  <p>Please turn to page 28 for more information.</p>	 <p>Metrics and targets</p> <ul style="list-style-type: none"> We strive to expand our scope of measurement and reporting of greenhouse gas ("GHG") emission as well as establish baseline data and targets where applicable We disclosed GHG emissions for the first time for RHB Centre and RHB Complex, Malaysia
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BNM and the SC have established the Joint Committee on Climate Change ("JC3") with industry representation to pursue collaborative actions for building climate resilience in the Malaysian financial sector. The key mandates of the joint committee are to:

- Build capacity through the sharing of knowledge, expertise and best practices in assessing and managing climate-related risk
- Identify issues, challenges and priorities facing the financial sector in managing the transition towards a low-carbon economy
- Facilitate collaboration between stakeholders in advancing coordinated solutions to address arising challenges and issues

RHB has been selected as a member of the JC3.

GHG Emission Disclosure

RHB Bank, as the country's oldest and first local bank, has taken the initiative to set up a greenhouse gas ("GHG") inventory and report on GHG emissions for FY2019.



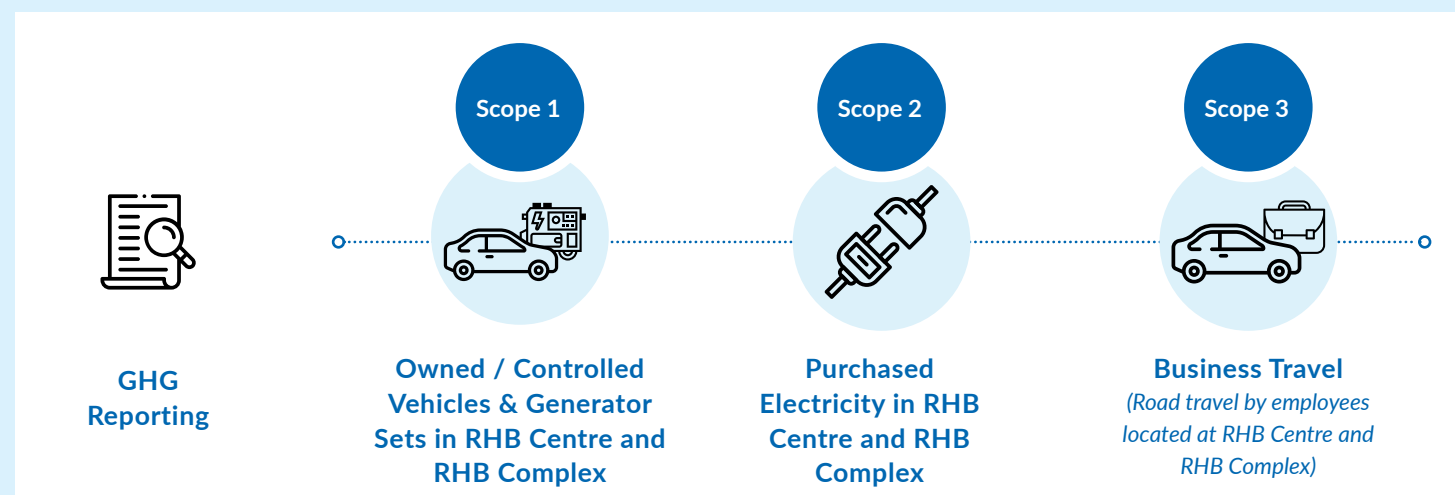
2019
Carbon Footprint
Performance
Highlights

Boundary and Scope
<ul style="list-style-type: none"> • GHG reporting for RHB Centre and RHB Complex in the Klang Valley, Malaysia only • Scope 1 & Scope 2 (Direct and Indirect Emissions) • Scope 3 (Other Indirect Emissions)
GHG Consolidation Approach
Operational approach
Methodology
Greenhouse Gas Protocol (GHG Protocol): Corporate Accounting and Reporting Standard
Reporting Period
January - December 2019
GHG Emissions - 2019
13,688 tCO ₂ e

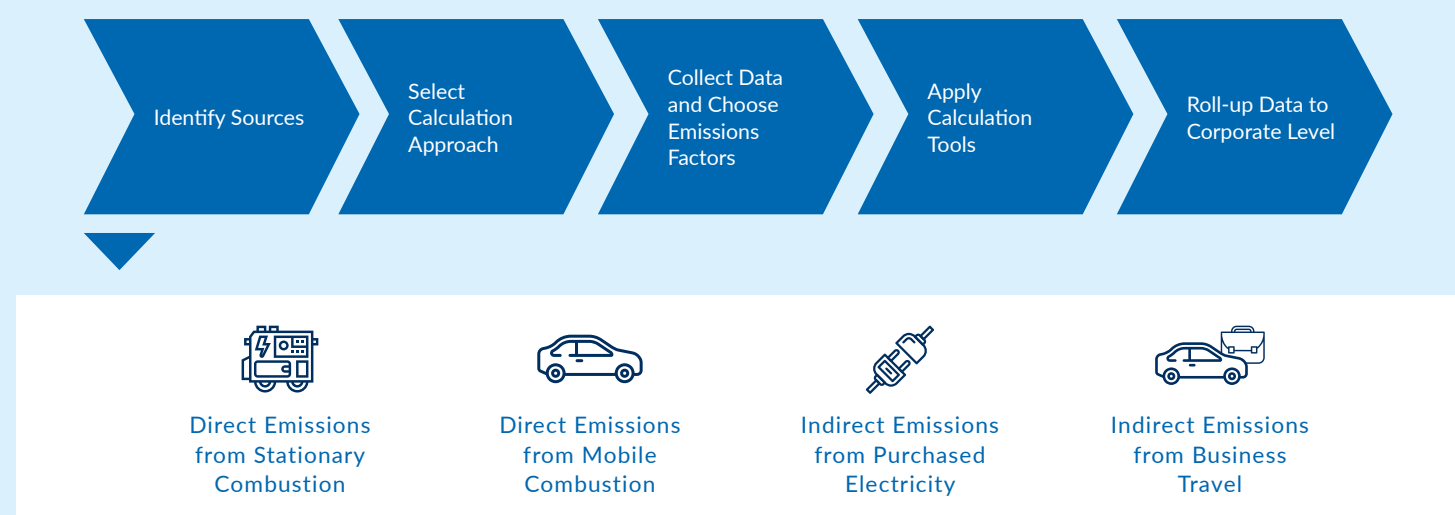
Embedding Good Practices

- Environmental Stewardship

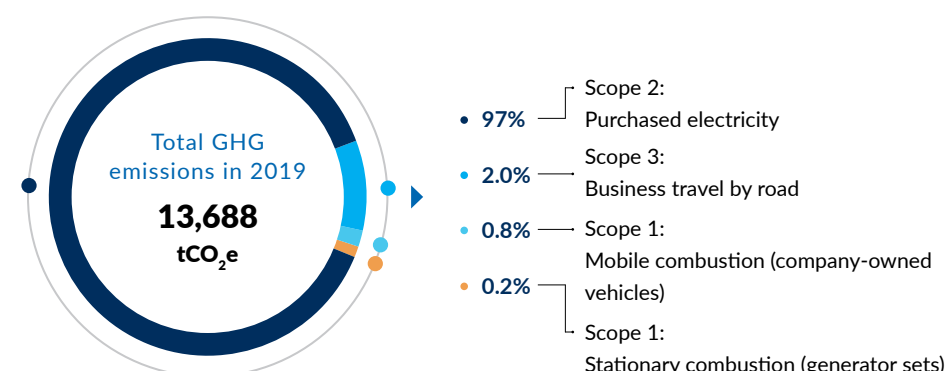
Operational Boundary



Methodology



Results



Most of the GHG emissions are generated from Scope 2: purchased electricity

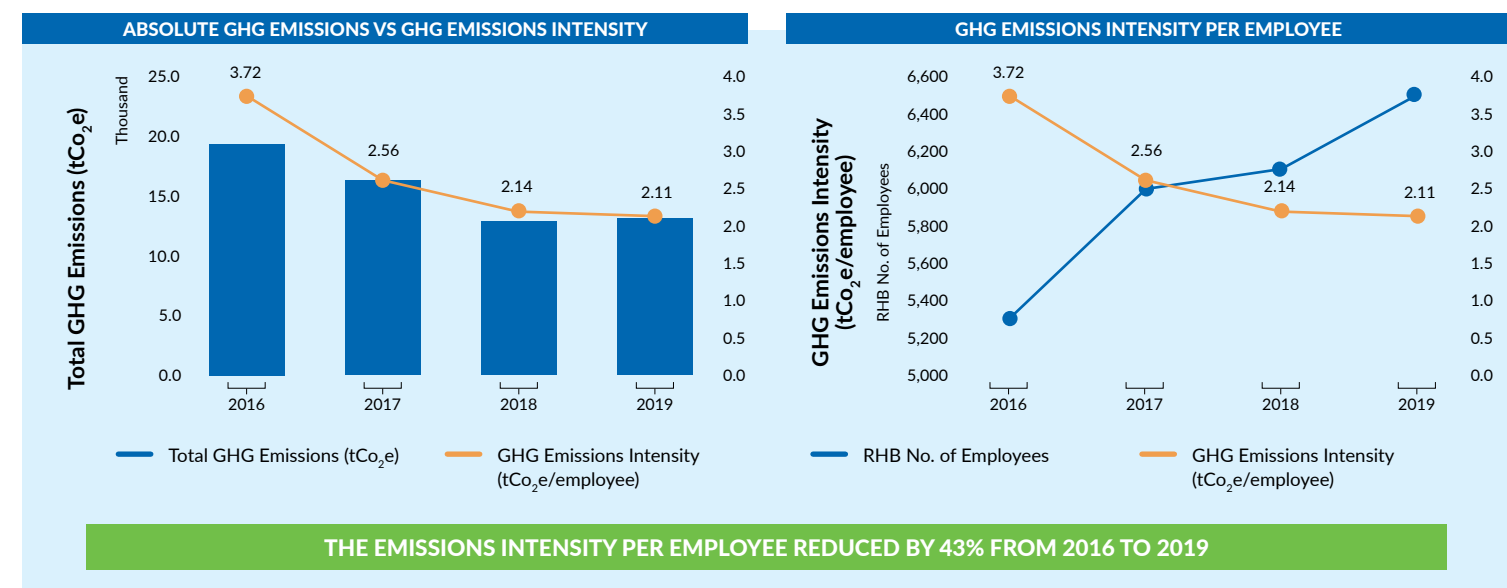
Note: The electricity consumption data consists of RHB Complex (100%) and RHB Centre (landlord meter - approximately 60%). 40% of RHB Centre data assumed based on the provided 60% consumption from 2016 to 2019.

Note: GHG emissions are attributed to RHB Centre and RHB Complex in the Klang Valley, Malaysia.

GHG Emissions	2016	2017	2018	2019
Scope 1 (tCO ₂ e)	209	143	131	127
Scope 2 (tCO ₂ e)	19,125	14,813	12,560	13,200
Scope 3 (tCO ₂ e)	357	391	361	342
Total	19,692	15,347	13,051	13,688

Based on the findings, about 13,688 tCO₂e was released into the atmosphere in 2019 and more than 95% of the GHG emissions were generated from Scope 2, purchased electricity. There was a significant decrease in GHG emissions in 2019 compared to 2016, which was correlated to the energy-saving initiatives that we have implemented over the years. For example, we actively replaced conventional appliances with energy-efficient alternatives like LED lighting and chiller systems in recent years, which have significantly reduced our electricity consumption and GHG emissions.

There was also a slight increase in GHG emissions for Scope 2 from 2018 to 2019 due to the increase in electricity consumption within the two buildings as a result of an increase in the number of employees from 6,100 to 6,500.



Way Forward:

- We will continue to enhance our approach to climate change in line with local and regional developments as well as the Group's sustainability journey
- We will continue to monitor and strive to expand our scope of measurement and reporting of GHG emissions

Embedding Good Practices

- Sustainable Procurement

Sustainable Procurement

As we progress on our sustainability journey, we strive to manage the ESG risks and opportunities when making procurement decisions. A sustainable supply chain will encourage business growth and productivity while reducing waste at the same time.

We understand that engaging with business partners (vendors) exposes the Group to risks such as business continuity, reputation and financial risks. Thus, we have put in place a strong and comprehensive system that underpins governance and transparency while supporting local industries.

Our sustainable supply chain is managed by the Group Tender Committee, which oversees the procurement process according to the Group Procurement Guidelines. The Committee ensures the following:



RESPONSIBLE SOURCING

The Group practises responsible sourcing by maintaining a transparent and open tender selection process through public tender announcements, centralised storage of contracts and an open bid system and by ensuring compliance with all laws, regulations, policies and guidelines.

To further validate our commitment towards responsible sourcing, we hold engagement sessions with our suppliers throughout the year and cover topics that promote sourcing transparently and maintaining fair practices

please refer to Engaging Our Stakeholders on page 24 for more information.

Open and Ethical Trade

As the Group practises open and ethical trade in procurement activities, we ensure a stringent supplier selection process by conducting an objective supplier performance evaluation as follows:



The evaluation includes requiring all tendering suppliers to declare any related party connections they may have with RHB. In selecting new suppliers, the Group takes into consideration additional requirements such as environmental awareness and compliance with legal and regulatory requirements. All suppliers' performances are also reviewed periodically against set criteria.

Following the selection process, the Group conducts thorough compliance checks on appointed suppliers. This includes AMLA and politically exposed person ("PEP") checks as well as a 100% compliance check on the company, shareholders and directors.

To uphold the integrity of RHB's supplier relations, potential suppliers are required to acknowledge and sign the Procurement Code of Integrity and the No Gift Policy/Corruption prior to the start of the tender process. The code and policy outline the practice of anti-corruption as well as guidelines to address any misconduct and also justifications for the disqualification of suppliers from the tender process. The Group also provides a grievance channel on its website for internal and external stakeholders to report cases of misconduct.

PROCUREMENT CODE OF INTEGRITY

Commitments of the Parties

- The parties commit to take all measures necessary to prevent corruption in their dealings with each other
- If any party obtains knowledge of conduct of the other party, or of an employee, agent, representative or an associate of that party which constitutes corruption, or if any party has substantive suspicion in this regard, that party will inform the same to the Malaysian Anti-Corruption Commission

FOSTERING LOCAL INDUSTRIES

The Group supports small, independent suppliers by adopting a decentralised model for sourcing suppliers that allows branches to locally source their own suppliers. Local suppliers means local entities that have registered their business in Malaysia. This is part of the Group's effort to support and foster the growth of local networks including independent, micro, small and medium-sized companies and trading companies.

GROUP PROCUREMENT - MALAYSIAN OPERATIONS

	2017				2018				2019			
	# of suppliers	%	Total Spend (RM'Mil)	%	# of suppliers	%	Total Spend (RM'Mil)	%	# of suppliers	%	Total Spend (RM'Mil)	%
BREAKDOWN OF SUPPLIERS												
Foreign	40	7%	47.2	9%	36	6%	41.9	10%	37	6%	51.6	10%
Local	547	93%	483.8	91%	541	94%	378.1	90%	542	94%	460.6	90%
Total	587	100%	531.0	100%	577	100%	420.1	100%	579	100%	512.2	100%
BREAKDOWN OF LOCAL SUPPLIERS												
Private Limited	502	92%	481.2	99%	485	90%	374.7	99%	490	90%	456.7	99%
Sole Proprietor	45	8%	2.6	1%	56	10%	3.4	1%	52	10%	3.9	1%
Total	547	100%	483.8	100%	541	100%	378.1	100%	542	100%	460.6	100%

To further embed good practices in our sustainability journey, we have drawn up a plan for 2020 as shown below:

Plan for 2020


- Integrate ESG matters into existing procurement guidelines
- Engage and collaborate with suppliers / vendors to promote good sustainable practices in line with guidelines

Note:
Includes only information captured under Group Procurement Malaysia's reporting systems.


Enriching and Empowering Communities

- Community Enrichment


KEY HIGHLIGHTS IN 2019:




Community Investment in 2019:
RM2.6
- Million -



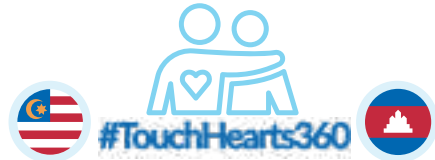
Benefitted **826**
secondary school students
from B40 households under the
RHB X-Cel programme




RHB Money Ma\$ter:
Engaged over **11,500**
students in 72 schools



Art with Heart Exhibition:
Sold **68** pieces of art
that were valued at more than
RM200,000




Impacted more than **3,700**
underprivileged community members
in Malaysia and Cambodia




10
Scholarships
awarded to students from low-income
households under RHB X-Cel Star


Highlights of **#rhibtouchhearts** 2019:




32
Teams




43
Initiatives



RM104,000
Seed Money to Teams




RM478,655
Raised



80,000
Lives Impacted

RHB is committed to creating a long-term positive impact on the community through the Group's community engagement initiatives spearheaded by the RHB Foundation ("RHBF"). The Group's initiatives reflect RHB's commitment to giving back to society while ensuring sustainable business growth and enriching the lives of the communities within which we operate.


RHB's Community Engagement Philosophy is as follows:



To carry out sustainable initiatives that deliver benefits and produce a positive impact for all our stakeholders



To undertake initiatives that cut across and impact communities, transcending cultural and religious differences




To promote the spirit of volunteerism, thereby instilling positive values among the Group's employees and society as a whole

OUR COMMUNITY ENGAGEMENT PILLARS

Please visit <https://www.rhbgroup.com/community-engagements/board.html> for RHBF's Board of Trustees and more details about the Foundation and its initiatives.


Pillar 1
Nurturing Future Generations

Objective:
To nurture and empower children and youth to achieve their fullest potential

 Refer to Page 84


Pillar 2
Health and Wellness

Objective:
A coordinated approach towards promoting healthy living

 Refer to Page 89

Pillar 3
Community Well-Being

Objective:
Enrich & empower vulnerable members of the community

 Refer to Page 89

VISION Enriching and empowering the community



THE RHB FOUNDATION

The RHB Foundation leads the Group's community engagement and development initiatives, focusing on the underserved and underprivileged members of the community with an emphasis on children and youth.

Enriching and Empowering Communities

- Community Enrichment

Pillar 1 • Nurturing Future Generations

Nurturing future generations is key to sustaining our growth and long-term value creation. Under this pillar, we focus on initiatives that enable the youth and children to achieve their full potential.

RHBF's educational efforts are anchored on the RHB X-Cel Academic Excellence and RHB X-Cel Star Scholarship programmes. Our objective is to provide equal opportunities to underprivileged students and those from the B40 segment to excel in and further their studies, ultimately improving their families' socio-economic status. Our academic programmes are endorsed and approved by the Ministry of Education (MOE).

We aim to develop students into holistic individuals through various educational and capacity-building programmes, in addition to academic excellence programmes. At present, RHB is the only corporate body with a holistic educational programme that supports B40 segment students from secondary to tertiary education. RHB X-Cel Star Scholars will be offered career opportunities within the Group.

RHB X-Cel Academic Excellence Programme

This programme is designed for Form 4 and Form 5 students who have the potential to excel academically and possess good attitudes and good leadership capabilities. In 2019, RM1.65 million was allocated to this programme.

The Journey of RHB X-Cel Students



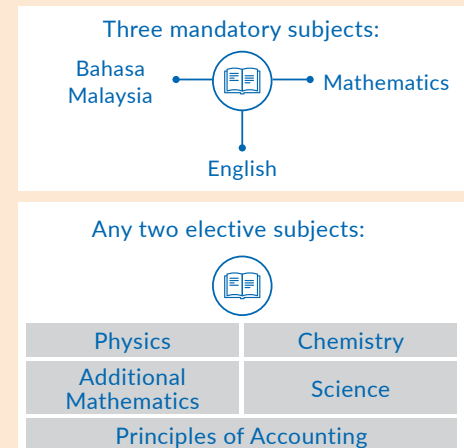
- Introduction of RHB X-CEL Programme in July 2018 upon approval by MOE
- Identification of eligible schools and eligible B40 Form 4 & Form 5 students from selected schools



- SPM Top Achievers (7As and above)
 - Shortlisted and invited to attend RHB scholarship interview & assessment
 - 15 students per annum will be selected to receive the scholarship awards and progress to the next programme known as the RHB X-Cel Star Scholarship programme



- Selected Form 4 & Form 5 students from participating schools will undergo
- Tuition for 5 selected core subjects



- SPM Readiness Workshop as the final preparation
- "Mapping Your Future" seminar
- Motivation Session
- Other incentives - meal allowance, cash awards for students, cash awards for top-performing teachers and schools



- RHB X-Cel Star Scholars
 - Full/partial scholarship to further their undergraduate studies at local institutions of higher learning (sponsorships include tuition fees, living allowances, book allowances, registration and medical check-up)
 - Go through capability building and nurture & development training (e.g. English proficiency, soft skills, leadership and motivation)
 - Mentor-mentee sessions
 - Internship at RHB Banking Group
 - Job opportunity with RHB Banking Group

Achievements in 2019



No. of schools impacted:

21 schools from 8 states



100%

of the students felt the SPM Readiness Workshop was good or excellent



No. of students involved:

Form 4: **385** (391 in 2018)
Form 5: **441** (414 in 2018)

Students' Evaluation of RHB X-Cel



More than

90%

of the students felt that they:

- Gained new skills to be implemented in their studies
- Learnt new ways of learning
- Performed better in their exams

Total **826*** (805 in 2018)

* 387 of the students were from the 2018 Form 4 batch.



Target for 2020

To increase the number of students to

1,000

Teachers' Evaluation of RHB X-Cel



100%

of the teachers felt that RHB X-Cel was a worthwhile programme for their students

SPM Achievements

	2018	2019
No. of RHB X-Cel students who sat for SPM	380	441
Overall improvement	10.3% (SPM vs trial)	14.1% (SPM vs F4 final exam)
No of students who obtained a minimum of 3As in RHB X-Cel's tuition subjects	99 (of whom 95 continued with tertiary education)	129
No of students who obtained 5As in RHB X-Cel tuition subjects	9	20

Enriching and Empowering Communities

- Community Enrichment

What They Said About The RHB X-Cel Academic Excellence Programme



M. RUBAN A/L MURUGAN
Student at SMK Dato Seth, Johor

"I love this programme as it consists of numerous activities such as motivational sessions, the SPM workshop and tuition classes. It gives us hope and another chance to improve ourselves and prove that we can do well in SPM and succeed in our life. A lot of students lost hope as SPM is just around the corner, but this programme proved otherwise."



CHRISTINE LIM RUO QIAO
Student at SMK Jalan Mengkibol, Johor

"It is my first time joining such a programme and I am so honoured. I enjoyed participating in this programme because I gained a lot of study tips and motivation. With these, I will do well in my SPM."



MUHAMMAD WAFIUDDIN BIN JEMAIN
Student at SMK Panglima Bukit Gantang, Perak

"I have participated in the programme for two years and have gained a lot of input from the tuition classes held every weekday. It has provided us with a lot of input that is beneficial for my friends and I to strengthen our knowledge and achieve great SPM results. I am so grateful to be a part of the RHB X-Cel Programme."



CIKGU FATHULMUIN BIN SANUDIN
Teacher at SMK Seri Perak, Perak

"The RHB X-Cel Programme has boosted my students' confidence in being more anticipative and the programme has also renewed their spirit. I can see the difference in them."



CIKGU NUR NASUHA NAJJWA AZLI
Teacher at SMK Mengkibol, Johor

"RHB X-Cel creates an opportunity for the less fortunate students to gain support in terms of learning and preparation for SPM. I hope my students will make good use of the opportunity given and excel in their SPM. I wish them all the best and hope they manage to achieve their dreams."



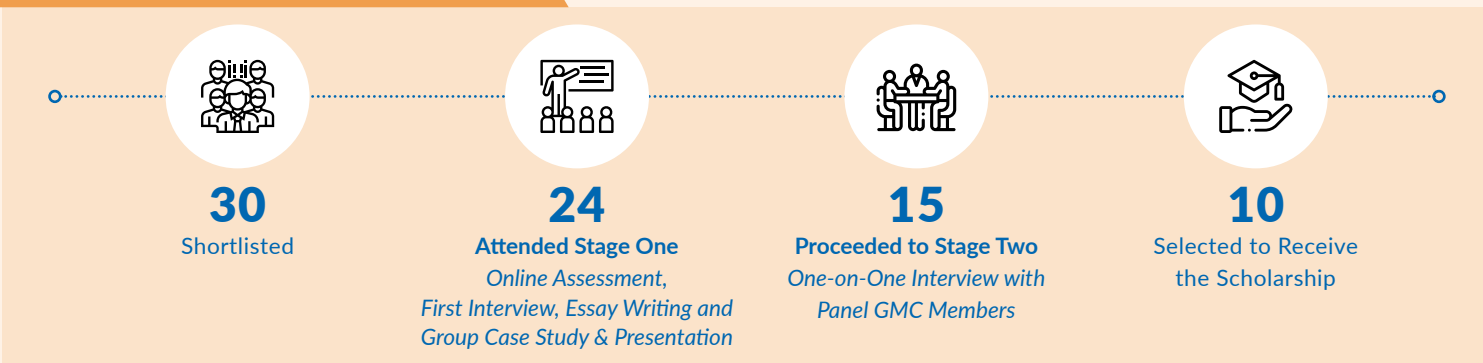
CIKGU MOHAMAD NAZRIN BIN ISHAK
Teacher at SMK Raja Lope Nor Rashid, Perak

"The RHB X-Cel programme has helped my students a lot in terms of increasing their confidence and at the same time, introducing them to the right way to study. This is also a good programme that provides them with the opportunity for greater exposure, especially for students in suburban areas."

RHB X-Cel Star

RHB X-Cel Star is a scholarship programme to enable the top performers of RHB X-Cel to further their studies in local institutions of higher learning. Students who obtain a minimum of 7As in SPM are shortlisted and invited to attend our scholarship interview & assessment sessions.

RHB X-CEL STAR SCHOLARSHIP JOURNEY:



The first batch of 10 scholars for 2019 has pursued foundation courses in local universities and matriculation colleges. They will further their undergraduate studies in various courses relevant to current market demand. Scholars will also undergo capacity building, talent nurturing and development training, including mentorship programmes that will develop them into holistic individuals and future leaders.

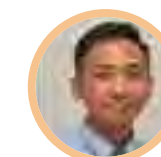
2019's RHB X-Cel Star Scholarship Winners



Muhammad Hakimi Bin Yusni
SPM Result: 8As State: Perak

Course: Foundation Studies in Physical Science, Universiti Malaya

"Winning the RHB X-Cel Star Scholarship is a dream come true as it lightens my father's financial burden."



Mohd Aqimie Bin Aziz
SPM Result: 8As State: Sabah

Course: Foundation Studies in Science, University Malaysia Sabah

"The journey to winning the scholarship has not only improved my social skills but has also made me a more confident person."



Chang Shi Ting
SPM Result: 10As State: Kedah

Course: Foundation Studies in Science, Matriculation College, Melaka

"Being selected for the RHB X-Cel Star scholarship fulfilled my promise to my late mother that I would be a role model for my younger siblings."



Marlana Nor Shazreen Binti Azmi
SPM Result: 9As State: Johor

Course: Foundation Studies in Physical Science, Universiti Malaya

"I am now one step closer to realising my dream of becoming a successful entrepreneur. Thanks to RHB for their support."



Tai Ji Zhang
SPM Result: 8As State: Selangor

Course: Foundation Studies in Science, University Teknologi Malaysia

"RHB X-Cel has helped improve my academic results and lightened my family's financial burden. This scholarship is indeed a blessing."



Muhammad Amannullah Bin Abdul Salam
SPM Result: 7As State: Kedah

Course: Foundation Studies in Science, Matriculation College, Kedah

"Besides providing financial support, RHB X-Cel has equipped me with the skills and experience that will be essential for survival in this challenging world."



Sharwen A/L Siwabalan
SPM Result: 9As State: Kedah

Course: Foundation Studies in Science, Matriculation College, Negeri Sembilan

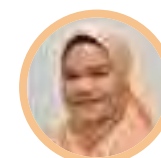
"Life is tough at home and the scholarship is my lifeline and saviour. It is my chance to give my family a better life."



Muhammad Aiman Fahmi Bin Mohammad Anuar
SPM Result: 8As State: Perak

Course: Foundation Studies in Engineering & Computer Science, International Islamic University Malaysia

"Having met RHB leaders has inspired me to be a charismatic leader with great humility."



Roslyana Binti Ruslie
SPM Result: 9As State: Sabah

Course: Foundation Studies in Science, University Malaysia Sabah

"The scholarship is a motivation and pathway for me to achieve goals that I might not even have dreamt of otherwise."



Muhammad Hanafi Bin Mohd Sani
SPM Result: 9As State: Perak

Course: Foundation Studies in Physical Science, International Islamic University Malaysia

"The scholarship brings me closer to becoming successful so that I can repay my mother who raised me after the passing of my father."

Beginning in 2020, the number will be increased to 15 per year to make a total of 60 scholarships over four years. The Foundation has allocated over RM4 million to the scholarships, which will help the selected B40 students realise their dreams.

Enriching and Empowering Communities

- Community Enrichment

Art with Heart

Art with Heart programme supports young local emerging artists and provides them with a platform to showcase their creativity and ideas. It connects local artists with potential buyers and collectors while encouraging the public to appreciate local artwork.

AWH is fully funded by RHB and we have set aside RM350,000 every year for the event. Over the last three years we have raised a total of RM612,223 from the sale of artworks. Of this amount RM524,395 went back to the participating artists and RM88,828 was channelled to charity.

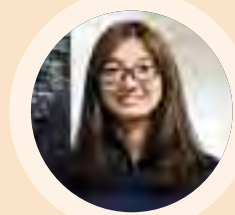


Achievements in 2019

- Themed "Diversity & Inclusivity", the Art with Heart Exhibition 2019 was held in Bangsar Shopping Complex on 24-30 June 2019
- It showcased 121 artworks from 27 local young emerging artists, of whom 80% were students and local graduates
- 300 RHB affluent and high-net-worth customers, business partners and art lovers attended the special preview night. An estimated 10,000 visitors visited the exhibition over the next six days
- A total of 68 pieces of art valued at RM212,123 were sold during the week-long event. Several artists also received additional orders for new artworks
- Most participants found the event to be beneficial. It gave them exposure and increased their visibility among corporates and members of the public
- The exhibition was honoured with a visit by Her Majesty KDYMM Seri Paduka Baginda Raja Permaisuri Agong Tunjku Azizah Aminah Maimunah Iskandariah and Yang Amat Mulia Tengku Puteri Jihan Azizah 'Athiyatullah binti Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah on 28 June 2019

Art with Heart Artists:

"It is nice to see people appreciating my work, especially abstract creations, which are more about self-exploration. These pieces were created by snapping off threads and strings and were inspired by my backbone scoliosis condition; it is important to keep the spine straight, thus, the straight lines in my works."



Alicia Lau Pik Yen, 24
from Kuala Lumpur, sold four pieces of abstract art at the event. Her acrylic paintings on canvas were the result of distinct experimentation inspired by the notion of memories and tension.

"I grew up by the sea and my father is a fisherman. He inspires my artworks. The artwork pieces are created in circles, representing the circle of my colourful life around the sea."



Dayang Maszianah Sidek, 23
a student at Universiti Malaysia Sabah, sold four pieces of creative art entitled "Movement". The paintings featured panoramic views of the sea with a school of aluminium fish. Her unique pieces were created in the form of acrylic and mixed media, which chronicled the lifecycle of anchovies in deep seas.

"Having experienced the effects of life and death a few years back, I am painfully aware that the existence of each being is temporary and subject to constant change beyond one's control. I use lines in my paintings to create visual works that symbolise infiniteness. Life is just like a line; it is made up of joined points: from beginning to end."



Hug Yin Wan, 25
from Kuala Lumpur, sold three pieces of his artistic creations of woodcut on plywood.

The Star: <https://www.thestar.com.my/metro/metro-news/2019/06/26/drawing-on-talent-and-creativity>

Pillar 2 • Health and Wellness



WHAT IS TYPE 1 DIABETES?

Type 1 Diabetes Mellitus ("T-1") is a chronic, life-threatening condition that has a lifelong impact on those diagnosed and their families. T-1 is a disease where the body does not make enough insulin to control blood sugar levels and occurs because the body's own immune system attacks cells in the pancreas that produce insulin. It often strikes during childhood and stays with people for the rest of their lives. T-1 can happen to anyone and is not caused by anything they or their parents did or did not do.



T-1 Club Camp: An Educational Programme for Children with Type 1 Diabetes

The T-1 Club Camp is a two-day, one-night camp to educate children born with or suffering from T-1 on managing their condition. Organised for the third year, the camp aims to empower T-1 children to take control of their condition and better understand the effects of food and exercise on their daily blood glucose levels, as well as provide psychological support on living with diabetes. Forty children from low-income families benefitted from talks by specialists and endocrinologists on diet and self-care. The event was held in collaboration with the Malaysian Diabetes Association and Hospital Kuala Lumpur at Bayou Lagoon Resort, Melaka.

Impact to date since 2017

In-house Health Talks on T-1 Management and Care

77 T-1 children
90 parents and caregivers

T-1 Club Camp

115 T-1 children



CYCLING

RHB Banking Group has always strived to promote a healthy lifestyle and over the years, the annual RHB LEKAS Highway ride and more recently, the RHB Langkawi Ride, have cultivated a strong following of cycling enthusiasts, both amateur and professional, from Malaysia and around the world.

Annually, the RHB Langkawi Ride offers 1,200 cycling enthusiasts an exciting and scenic riding experience around the beautiful island of Langkawi. Meanwhile, the RHB LEKAS Highway Ride 2019, Malaysia's biggest night cycling ride on an open highway, boasted 4,500 participants last year.

Pillar 3 • Community Well-Being



#rhbtouchhearts

RHB Touch Hearts is a Group-wide community enrichment programme that provides RHBians with a platform to reach out and give back to the communities where RHB has a presence. Every year, over 14,000 RHBians across Malaysia, Singapore, Indonesia, Thailand, Cambodia, Laos and Brunei look forward to the programme that involves months of preparation.

RHBians have touched the hearts of thousands of underprivileged and underserved communities through various initiatives in four focus areas: Environment, Education, Health & Wellness and Community Well-Being. Their purpose is to benefit underserved, underprivileged and low-income groups, including children and young adults, in line with RHB's sustainability vision of "Building A Sustainable Future".

HOW IT WORKS:

Our annual RHB Touch Hearts programme is the culmination of months of dedication and hard work by RHBians. The groundwork starts with each Strategic Business Group/Strategic Financial Group ("SBG/SFG") selecting a project according to the given theme before researching, raising funds and completing the projects over the next few months. Each group, including International Operations, also receives seed money from the Group to support its project. The projects or initiatives must meet the objective of enriching the underserved and underprivileged or B40 segment of the community.

Enriching and Empowering Communities

- Community Enrichment



RHB Touch Hearts Building a Sustainable Future

on 5 and 6 October 2019

CREATING A SUSTAINABLE PLATFORM FOR SOCIAL ENTREPRENEURS

Group Business & Transaction Banking ("GBTB") set up booths for 17 social entrepreneurs to showcase their products and create awareness of their social causes such as poverty reduction and environmental conservation at Sunway Geo Avenue Mall in Selangor. Revenues generated were used to fund the entrepreneurs' noble causes. Among the activities held were games and a live band performance by GBTB staff. Beneficiaries: 17 social entrepreneurs

ZOO NEGARA CONSERVATION PROGRAMME

Group Retail Banking ("GRB") helped out at Zoo Negara by assisting in husbandry and landscaping affected areas, cleaning and repairing animal cages and helping zoologists with their duties such as feeding and cleaning the animals. GRB also sponsored and helped set up the Recycling Flower garden and cactus & succulent garden within the biodiversity garden in the zoo compound. Beneficiaries: Zoo Negara visitors. In 2018, Zoo Negara received over 368,000 visitors

MANGROVE TREE CONSERVATION PROGRAMME

Group Treasury & Global Markets ("GTGM") planted 1,000 mangrove trees to promote conservation and rehabilitation of the mangrove forest and ecosystem at Taman Rekreasi Paya Bakau Kg Sijangkang in collaboration with 98 UniKL students, the Forestry Department and villagers. GTGM also organised talks on financial literacy and the role of treasury and Islamic finance and banking for UniKL students and sponsored back-to-school kits and three months of SPM tuition for B40 students. Additionally, GTGM contributed cash and in kind to the Association for the Welfare of Mentally Challenged Children, to the Rett Syndrome Disease fund and to set up an Education Growth Fund for education-based events with UniKL. Beneficiaries: 200 students and villagers

BADMINTON CLINIC FOR AUTISTIC CHILDREN

The Klang Valley West Region conducted badminton classes for autistic children at SMK Bukit Kepayang in Seremban to help improve their sensory integration, coordination skills, muscle tone and social skills. They also conducted a futsal clinic for 42 schoolchildren and painted a mural. Beneficiaries: 210 (140 schoolchildren including 60 autistic children, 30 teachers, the school administration and 40 parents)

SPONSORING THE UNDERPRIVILEGED

The Sabah Region organised free eye inspections and sponsored spectacles for underprivileged children and adults with disabilities in Bukit Harapan, Sabah. They also donated two units of washing machines and RM4,000. Beneficiaries: 44 underprivileged people with disabilities

CONSTRUCTION OF DRAINAGE SYSTEM FOR ORANG ASLI

Group Risk and Credit Management ("GRCM") constructed a drainage system to mitigate flash floods and improve the Kampung Orang Asli Broga community's living conditions by providing a cleaner and safer environment. GRCM also repaired the community hall, organised talks on health and financial awareness and held a gotong-royong. Beneficiaries: 64 families, 300 Orang Asli

YOUNG WOMEN'S ASSISTANCE PROGRAMME

Group Compliance helped the residents of Pertubuhan Kebajikan Darul Wardah Selangor to start hydroponic farming for their own consumption and to generate income. The team also installed vertical hydroponic and fertigation boxes and taught the residents the skills of hydroponic farming. The residents were young women facing social problems such as running away from home, pregnancy out of wedlock and drug abuse. Beneficiaries: 25 young women

#rhtbtouchhearts

Other Projects Carried Out under RHB Touch Hearts 2019 (Four Focus Areas)

EDUCATION

- Organised educational talks for students on school readiness and academic success
- Organised financial literacy talks for B40 students by the founder of the Malaysia Children Entrepreneurship Orientation ("MyCEO")
- Sponsored tables and chairs for Phiawat High School in Laos
- Improved and upgraded facilities and donated school items such as whiteboards, tables and chairs and reading materials to two preschools built by RHBians in Cambodia during RHB Touch Hearts 2017 & 2018
- Enhanced school infrastructure and restored the garden of Akademi Tahfiz Al-Fatonah and planted vegetables for the children's daily consumption
- Introduced digital literacy to B40 students and improved the interior of the computer lab at SK Methodist (INTEG) (M) Sg. Pelek, Sepang
- Created awareness on the importance of saving among schoolchildren at SK Jalan Ayer Panas
- Set up a community library with more than 300 books for Rumah Kasih Sayang shelter home

HEALTH & WELLNESS

- Organised medical check-ups and installed solar mosquito traps for Orang Asli (indigenous) settlements
- Renovated school's canteen and kitchen to promote good hygiene and healthy eating habits
- Promoted a safe and healthy environment for students and Orang Asli through awareness talks

COMMUNITY WELL-BEING

- Sponsored the educational needs of 18 children at Shelter Home for Children in Petaling Jaya, Selangor
- Carried out community work in enhancing the infrastructure of a fishing village community in Sepang, Selangor
- Donated RM3,000 for developmental training for the parents and caregivers at the Kuching Autistic Association Centre in Sarawak
- Spruced up two orphanages in Penang and Kedah by cleaning and painting the walls and planting vegetables in the gardens
- Built a reservoir to improve access to clean water and upgraded sanitation facilities for the Batang Kali Orang Asli community in Hulu Selangor
- Upgraded the facilities and painted the walls of the special needs home at Pusat Pemulihan Dalam Komuniti Rawang
- Sponsored daily needs at Lotus Charity Care Centre, Semenyih

ENVIRONMENT

- Sponsored 15 units of beehives for Persatuan Kebajikan Darul Hanan orphanage in Johor to help increase the home's income
- Cleaned up waterfall and campsite area at Lata Jarum in Raub, Pahang
- Cleaned up Kanching Forest Waterfall area and planted trees to promote environmental conservation
- Planted 13 fruit trees for the special needs community at Pusat Ehsan Al-Ameerah Al-Hajjah Maryam in Brunei
- Promoted tapir conservation by observing tapir conservation efforts at Sg Dusun Wildlife Conservation Centre
- Planted Tin trees and vegetables for schoolchildren at SK Jalan Ayer Panas, Selangor

Enriching and Empowering Communities

- Community Enrichment

#TouchHearts360

With Touch Hearts 360, RHB intends to intensify our philanthropic activities involving the underprivileged and underserved members of the community through more employee involvement. As the name suggests, it is an avenue for RHBians to donate cash or items and volunteer for a wide range of activities throughout the year regardless of celebrations, festive seasons or occasions. We have come full circle with Touch Hearts 360 as it fulfills our aspiration of contributing to society holistically, by improving the living conditions and socio-economic status of our targeted groups.

More than **3,700** benefitted from this programme

In 2019, we visited 154 families and 22 homes and helped more than 3,500 underprivileged members in Malaysia and Cambodia. While RHB presented the less fortunate with cash donations and “angpows” during every major festival in Malaysia, our fellow RHBians donated food items, electrical goods and household items and distributed them to underprivileged families, orphanages and shelter homes.

For our Back-to-School programme, RHB matches every Ringgit donated by RHBians to provide school uniforms, shoes, bags and stationery to RHB X-Cel students as an extra incentive for them to return to school in the new school year. We realised a total of nearly RM25,000 from RHBians leading to RM50,000 in collections. A total of 207 students benefitted from this programme.



RHB Emergency/Disaster Relief

This programme provides financial aid and other forms of relief such as volunteerism during natural disasters, disease outbreaks, extreme weather conditions and other calamities in Malaysia and foreign countries where we have a presence.

We provided financial aid totalling **RM6,000**

In 2019, we provided financial aid totalling RM6,000 to three schools affected by a toxic fume disaster that caused breathing difficulties and vomiting among students and residents in Pasir Gudang, Johor due to toxic waste dumping in the Kim Kim river.

RHB Islamic's Social Impact

▶ RHB Islamic contributed RM481,000 to RHB in 2019.

RHB Islamic contributed **RM481,000**

▶ From this, RM231,000 was for Community Well-being initiatives with the remaining RM250,000 used to fund RHB X-Cel initiatives in four schools throughout 2019.

Enriching and Empowering Communities

- Financial Education

Financial Literacy & Education

RHB continues its pursuit of financial education for children and youth as well as its customers with the intent of empowering them to better manage their financial position and take control of their financial destiny. Reaching out to the underserved will also contribute to a financially strong and secure society, besides improving the country's socio-economy. To date, our financial literacy programmes have impacted more than 22,000 lives within and outside Malaysia.

Money Ma\$ter

The Money Ma\$ter Programme (“MMP”) is one of our core programmes under the Group's corporate responsibility (“CR”) efforts to reach out to students aged 13 to 17. It is a financial literacy programme aimed at equipping secondary school students with the knowledge, skills and confidence to effectively manage their finances, instilling the importance of savings at a young age.

The MMP, which is a 90-minute interactive session, is the only structured financial literacy programme being undertaken by a banking group with students, teachers and parents in secondary schools. The sessions cover key topics such as savings tips, opening of accounts, usage of debit cards and awareness of financial scams. Moving forward, we aim to bring financial literacy to colleges and university students in Malaysia and Cambodia.

In 2018, the MMP benefitted 10,407 children and youth through a total of 75 hours of financial literacy modules in 48 schools across five states in Malaysia. This year, we reached out to 11,546 students in 72 schools across Selangor, Wilayah Persekutuan, Perak, Pulau Pinang, Kedah, Johor and Terengganu.

90% of the students found the programme to be good or excellent

On a scale of 1 to 7, teachers gave a score of 6.36 to the overall effectiveness of the programme

Financial Literacy Singapore

RHB Singapore continues to reach out to local communities through its Financial Literacy Programme designed for children aged 10 to 17 from the low-income group. Aimed at empowering underprivileged children with a solid foundation in financial management, the programme has benefitted 156 children since 2017.

The objective of the Financial Literacy Programme is to empower children by:

- Improving their knowledge and understanding of the functions of money
- Enabling them to apply basic financial skills in a variety of relevant contexts applicable to children as they mature into adulthood
- Using and developing broader personal and social skills in relation to money
- Developing the confidence to make financial decisions in a responsible manner

Held at the RHB premises, the programme is a day-long workshop with hands-on activities and group discussions on financial literacy. Participants receive an RHB Junior Banker Account, with funds deposited from an employee donation drive, upon completing the programme. The funds also provide a head start to the children's savings journey that, hopefully, will

continue into their adulthood. It is our hope that this programme will be the starting point of RHB's relationship with these children and that they will eventually continue banking with RHB. Through the programme's continuation, the children will also continue to build their savings and grow their bank accounts.

The programme won Best Event at The Marketing Event Awards 2019 and Best CSR Initiative (Highly Acclaimed) at the Global Retail Banking Innovation Awards 2019. Over time, RHB Singapore endeavours to be recognised in the community for inspiring financial literacy among children.

Financial Education among Customers

RHB Banking Group extends financial education programmes to our customers and aligns our efforts in increasing financial knowledge with the National Strategy for Financial Literacy 2019-2023. Hinging on our Community Banking programme, our employees are empowered to become effective business leaders in the community by understanding the needs of the various segments in the community, engaging with them consistently and structurally, as well as successfully penetrating the businesses of the relevant segments. We organise various educational programmes through the Community Banking programme to enhance our customers' financial knowledge and help them to make informed financial decisions.

To keep customers informed of financial market developments, RHB's Retail Banking holds market outlook sessions for its customers on a regular basis. The Group organised several events to engage with affluent customers to keep them abreast with the latest market outlook. The Group completed 222 mini events on investments for 2,005 clients and seven legacy planning sessions for 680 clients as at 31 December 2019.

Increasing the financial knowledge of business owners is an equally crucial part of contributing to the nation's sustainable economic development. RHB's Group Business and Transaction Banking unit conducted a series of “Getting To Know SME Financing and Connected Ecosystem” events for SME customers at 36 branches nationwide from 24 October to 23 December.

The events were aimed at:

- Promoting the SME financial and connected ecosystem to new and existing SME owners with no borrowing relationships with RHB
- Positioning RHB to be more accessible to SME customers in the community and continuing to promote RHB as the “Bank of Choice for SMEs”
- Aligning with BNM's initiative to increase awareness of SME financing as well as educating SMEs to be more digitally savvy

The Group also launched a benchmarking tool via iSmart that allows our Relationship Managers (“RMs”) to compare customers' critical financial metrics with industry peers in real time. This enables our RMs to play a more active advisory role in assisting our customers achieve their future financial growth.

Alignment to the UN SDGs

Contributing to the United Nations Sustainable Development Goals

The United Nations ("UN") Sustainable Development Goals ("SDGs") are a collection of 17 global goals set by the UN General Assembly and agreed by UN member states in September 2015. These goals, along with targets and indicators, provide a harmonised blueprint for a better and more sustainable future for all areas of critical importance covering People, Planet, Prosperity and Partnership.

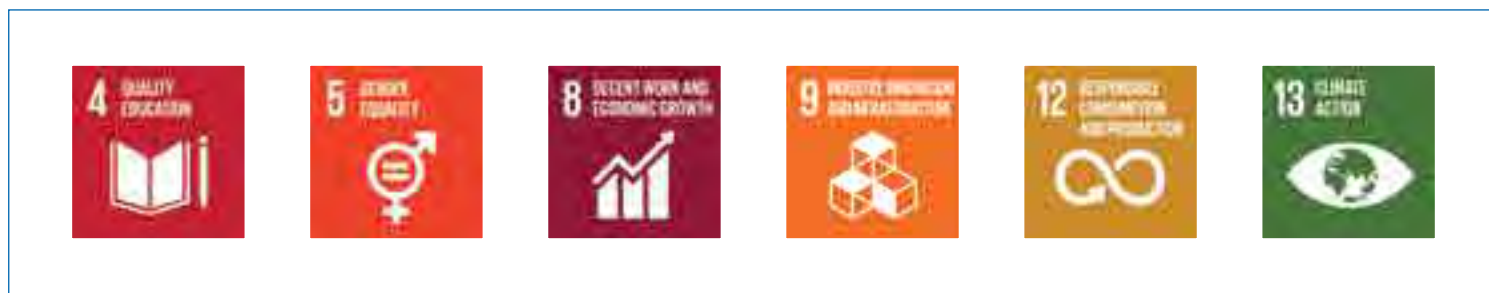
Businesses play an ever-increasing role in addressing these goals by reducing their negative impact and increasing their positive contribution to sustainable development. As a financial institution, we are also in a unique position to drive change among our stakeholders and in the real economy to contribute towards realising the SDGs.

PRIORITY SDGS

These represent SDGs that the Group actively aims to support and reflect the Group's position, beliefs and aspirations. They are based on the Group's most impactful activities. RHB Banking Group has identified six priority SDGs:

- Quality Education (SDG 4)
- Gender Equality (SDG 5)
- Decent Work and Economic Growth (SDG 8)
- Industry, Innovation and Infrastructure (SDG 9)
- Responsible Consumption and Production (SDG 12)
- Climate Action (SDG 13)

Despite the fact that the other SDGs were not identified as key focus areas at a Group level, it must be noted that as a financial institution, RHB Banking Group is in a unique position to contribute to and create significant impact in realising the other SDGs through its activities and practices.



SDG	Global SDG Target	RHB's Focus Areas / Contributions
SDG 4: Quality Education	4.3 Ensure equal access to affordable and quality technical, vocational and tertiary education	<ul style="list-style-type: none"> • People & Workplace • Community Enrichment
	4.4 Increase the number of youth and adults with relevant skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> • People & Workplace • Community Enrichment
SDG 5: Gender Equality	5.1 End all forms of discrimination against all women and girls	<ul style="list-style-type: none"> • People & Workplace
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	<ul style="list-style-type: none"> • People & Workplace
	5.7 Undertake reforms to give women equal rights to economic and natural resources, access to land ownership, financial services, and inheritance	<ul style="list-style-type: none"> • Sustainable Financing • People & Workplace

SDG	Global SDG Target	RHB's Focus Areas / Contributions
SDG 8: Decent Work & Economic Growth	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	<ul style="list-style-type: none"> • Digitalisation
	8.3 Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-SMEs	<ul style="list-style-type: none"> • Sustainable Financing • Financial Education
	8.5 Achieve full, productive employment, with equal pay for work of equal value for all humans	<ul style="list-style-type: none"> • People & Workplace
	8.6 Reduce the proportion of youth not in employment, education or training	<ul style="list-style-type: none"> • People & Workplace • Community Enrichment
	8.7 Eradicate forced labour, modern slavery, human trafficking and secure the prohibition of the worst forms of child labour	<ul style="list-style-type: none"> • Sustainable Financing • People & Workplace
	8.8 Protect labour rights and ensure safe working environments	<ul style="list-style-type: none"> • People & Workplace
SDG 9: Industry, Innovation & Infrastructure	8.10 Strengthen capacity of domestic financial institutions to provide financial inclusion for all	<ul style="list-style-type: none"> • Sustainable Financing • Customer Centric Banking • Digitalisation • Financial Education
	9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	<ul style="list-style-type: none"> • Sustainable Financing
SDG 12: Responsible Consumption & Production	12.2 Achieve sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> • Environmental Stewardship
	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> • Environmental Stewardship
	12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> • Sustainable Financing • Environmental Stewardship
	12.8 Ensure people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	<ul style="list-style-type: none"> • Sustainable Financing • People & Workplace • Environmental Stewardship • Sustainable Procurement
SDG 13: Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none"> • Sustainable Financing • Environmental Stewardship
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> • Sustainable Financing • People & Workplace • Environmental Stewardship • Sustainable Procurement



Sustainable & Responsible Banking



Embedding Good Practices



Enriching & Empowering Communities

Commitments and Memberships

RHB Banking Group List of Memberships

The Association of Banks in Malaysia ("ABM") RHB Bank Berhad	Asian Institute of Chartered Bankers ("AICB") RHB Bank Berhad	Minority Shareholders Watch Group ("MSWG") RHB Bank Berhad
Institute of Corporate Directors Malaysia ("ICDM") RHB Bank Berhad	Malaysian Institute of Corporate Governance ("MICG") RHB Bank Berhad	Federation of Public Listed Companies ("FPLC") RHB Bank Berhad
Financial Institutions' Directors Education ("FIDE") Forum RHB Bank Berhad	Association of Stockbroking Companies Malaysia ("ASCM") RHB Investment Bank	Malaysian Investment Banking Association ("MIBA") RHB Investment Bank
World Islamic Economic Forum ("WIEF") RHB Islamic Bank	Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM") RHB Islamic Bank	Financial Mediation Bureau ("FMB") RHB Islamic Bank
Malaysian Oil and Gas Services Council ("MOGSC") RHB Islamic Bank	Islamic Financial Services Board ("IFSB") RHB Islamic Bank	Asian Institute of Chartered Bankers ("AICB") RHB Islamic Bank
Insurance Services Malaysia ("ISM") RHB Insurance	Persatuan Insurans Am Malaysia ("PIAM") RHB Insurance	Perbadanan Insurans Deposit Malaysia ("PIDM") RHB Insurance
Motor Insurance Bureau ("MIB") RHB Insurance	Malaysian Insurance Institute ("MII") RHB Insurance	Malaysian Motor Insurance Pool ("MMIP") RHB Insurance

Note:
* This list is non-exhaustive.

Performance Data

- Employees

	2017	2018	2019
Total No. of Employees	14,435	14,425	14,345

Breakdown by Gender

Gender/Year	2017		2018		2019	
	HC	%	HC	%	HC	%
Male	6,000	41.6%	5,915	41.0%	5,849	40.8%
Female	8,435	58.4%	8,510	59.0%	8,496	59.2%
Total	14,435	100.0%	14,425	100.0%	14,345	100.0%

Workforce Breakdown by Position

Position/Year	2017		2018		2019	
	No.	%	No.	%	No.	%
Executives	11,428	79.2%	11,612	80.5%	11,724	81.7%
Non-Executives	3,007	20.8%	2,813	19.5%	2,621	18.3%
Total	14,435	100.0%	14,425	100.0%	14,345	100.0%

Workforce Breakdown by Union/Non-Union

	2017	2018	2019
Union	2,512	2,355	2,221
Non-Union	11,923	12,070	12,124
Total No. of Employees	14,435	14,425	14,345
Union against Total Employees (%)	17.4%	16.3%	15.5%
Union against Total Non-Executives (%)	83.5%	83.7%	84.7%

Workforce Breakdown by Employment Contract

Status/Year	2017		2018		2019	
	No.	%	No.	%	No.	%
Permanent	13,347	92.5%	13,641	94.6%	13,583	94.7%
Non-Permanent	1,088	7.5%	784	5.4%	762	5.3%
Total	14,435	100.0%	14,425	100.0%	14,345	100.0%

Note for Performance Data Table:
Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Performance Data

- Employees

Workforce Breakdown by Country

Country/Year	2017		2018		2019	
	No.	%	No.	%	No.	%
Malaysia	12,750	88.3%	12,719	88.2%	12,638	88.1%
Overseas Operations Total	1,685	11.7%	1,706	11.8%	1,707	11.9%
Singapore	676	4.7%	703	4.9%	718	5.0%
Indonesia	357	2.5%	364	2.5%	349	2.4%
Cambodia	245	1.7%	234	1.6%	256	1.8%
Thailand	221	1.5%	227	1.6%	209	1.5%
Hong Kong	99	0.7%	87	0.6%	61	0.4%
Laos	62	0.4%	64	0.4%	65	0.5%
Brunei	23	0.2%	26	0.2%	27	0.2%
Vietnam	2	0.01%	1	0.0%	22	0.2%
Total	14,435	100.0%	14,425	100.0%	14,345	100.0%

Workforce Breakdown by Ethnicity

Diversity/Year	2017		2018		2019	
	No.	%	No.	%	No.	%
Bumiputera	7,681	53.2%	7,673	53.2%	7,662	53.4%
Chinese	4,971	34.4%	4,958	34.4%	4,853	33.8%
Indian	776	5.4%	774	5.4%	793	5.5%
Others	1,007	7.0%	1,020	7.1%	1,037	7.2%
Total	14,435	100.0%	14,425	100.0%	14,345	100.0%

Workforce Breakdown by Age

Age Group/Year	2017		2018		2019	
	No.	%	No.	%	No.	%
≤30	3,604	25.0%	3,262	22.6%	3,034	21.1%
31 -40	5,540	38.4%	5,560	38.6%	5,483	38.2%
41-50	3,892	27.0%	4,098	28.4%	4,228	29.5%
≥51	1,399	9.7%	1,505	10.4%	1,600	11.2%
Total	14,435	100.0%	14,425	100.0%	14,345	100.0%

Employee Length of Service

Years of Service	2017	2018	2019
5 Years & Below	7,274	6,888	6,323
6 to 10 Years	2,377	2,626	2,832
11 to 15 Years	776	915	1,075
More than 15 Years	4,008	3,996	4,115
Total	14,435	14,425	14,345

New Employee Hires

	2017	2018	2019
Total No. of New Hires	2,924	2,527	2,273
Recruitment Rate (%)	20.3%	17.5%	15.8%

Breakdown of New Hires by Gender

Gender/Year	2017		2018		2019	
	HC	%	HC	%	HC	%
Male	1,357	46.4%	1,155	45.7%	1,046	46.0%
Female	1,567	53.6%	1,372	54.3%	1,227	54.0%
Total	2,924	100.0%	2,527	100.0%	2,273	100.0%

Breakdown of New Hires by Age

Age Group/Year	2017		2018		2019	
	No.	%	No.	%	No.	%
≤30	2,150	73.5%	1,604	63.5%	1,525	67.1%
31 -40	625	21.4%	742	29.4%	577	25.4%
41-50	130	4.4%	153	6.1%	145	6.4%
≥51	19	0.6%	28	1.1%	26	1.1%
Total	2,924	100.0%	2,527	100.0%	2,273	100.0%

Employee Turnover Rate¹

	2017	2018	2019
Total No. of Attrition	1,887	1,750	1,825
Attrition Rate (%)	14.1%	12.8%	13.4%

Employee Turnover by Age Group

Age Group/Year	2017		2018		2019	
	HC	%	HC	%	HC	%
≤30	813	43.1%	349	19.9%	834	45.7%
31 -40	805	42.7%	377	21.5%	657	36.0%
41-50	175	9.3%	104	5.9%	197	10.8%
≥51	94	5.0%	920	52.6%	137	7.5%
Total	1,887	100.0%	1,750	100.0%	1,825	100.0%

Note:

¹ Data is for permanent RHB employees.

Performance Data

- Employees

Employee Turnover by Gender

Gender/Year	2017		2018		2019	
	HC	%	HC	%	HC	%
Male	929	49.2%	824	47.1%	886	48.5%
Female	958	50.8%	926	52.9%	939	51.5%
Total	1,887	100.0%	1,750	100.0%	1,825	100.0%

Percentage of Women in Management

Gender/Year	2017	2018	2019
Male	1,885	1,998	2,075
Female	1,755	1,994	2,094
Total No. of Employees	3,640	3,992	4,169
Against Total Management (%)	48.2%	49.9%	50.2%

Percentage of Women in Senior Management

Gender/Year	2017	2018	2019
Male	162	155	155
Female	61	59	57
Total No. of Employees	223	214	212
Against Total Management (%)	27.4%	27.6%	26.9%*

Participation by Type of Learning

	2017	2018	2019
Classroom Learning Participation	37,433	39,921	39,658
e-Learning Participation	52,148	96,661	126,378

Participation by Job Level

Job Level	Classroom Learning (%)	e-Learning (%)
Top Management	89%	94%
Senior Management	93%	100%
Management	94%	100%
Middle Management	89%	99%
Executive	80%	96%
NCL/CL/OFF	76%	98%

Note:

* Restatement of figure from RHB Integrated Report 2019.

Training Sessions by Type

	2017	2018	2019
In-House Training Sessions	1,443	1,559	1,489
External Training Sessions	590	618	643
No. of e-Learning Courseware	102	125	156
Total Sessions	2,135	2,302	3,182

Total and Average Training Hours

	2017	2018	2019
Total Training Hours	571,521	713,434	904,710
Average Training Hours Per Year Per Employee	40	56	72

Total Investment in Training

	2017	2018	2019
Total Investment in Training (RM million)	40.6	43.1	42.8

Our Leadership and Management Programmes:

Leadership & Management Programmes	No. of Participants		
	2017	2018	2019
Foundation Programmes:			
Advanced Management Development Programme ("AMDP")	11	4	11
Maximising Employee Performance ("MEP") Programme	1,064	191	212
RHB Culture Connection Workshop	N/A	1,514	1,283
Signature Programmes:			
RHB Leadership Signature Programme (with Melbourne Business School)	131	201	453 (2 cohorts)
RHB Leadership Talk Series	>200 per session	>200 per session	Not offered in 2019
Core Programme for Front-Liners (Sales Channel)—Islamic Finance Core Products ("IFCP") Programme	743	825	794

GRI Content Index

The RHB Sustainability Report 2019 was prepared 'In Accordance' with GRI Standards: Core option

The following GRI Content Index refers to the information disclosed in the RHB Sustainability Report 2019 unless otherwise stated (e.g. RHB Integrated Report 2019).

GENERAL DISCLOSURES			
GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Organisational Profile			
102-1	Name of the organisation	RHB Bank Berhad ("RHB Banking Group")	
102-2	Activities, brands, products, and services	Pages 3 - 5	
102-3	Location of headquarters	Page 3 Level 10, Tower One, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.	
102-4	Location of operations	Pages 6 - 7	
102-5	Ownership and legal form	Refer Integrated Report 2019: Pages 4 -5	
102-6	Markets served	Pages 6 - 7	
102-7	Scale of the organisation	Pages 3 - 7, 10	
102-8	Information on employees and other workers	Pages 7, 97 - 98 14,345 total employees; 13,583 permanent and 762 non-permanent. *Non-permanent consists of contract and temporary employees.	
102-9	Supply chain	Pages 80 - 81	
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to RHB and RHB's supply chain in 2019. Announcements however have been made in 2019, that effective Q2 2020 we will exit our Hong Kong business.	
102-11	Precautionary Principle or approach	Pages 17, 28 - 30, 53 Refer Integrated Report 2019: Pages 132 - 140 for further information on our risk management system and internal controls. There is no explicit mention of the Precautionary Principle or approach in our Sustainability Principles, Group Risk Management Framework or Group Fraud Risk Management Policy. However, we take on a precautionary approach, prevention-first approach, minimise harm or negative impact and/or integrate ESG considerations in decision-making.	
102-12	External initiatives	Pages 40, 77, 96 In 2019, RHB was selected as a member of JC3 and actively contributes to discussions. RHB Islamic was also accepted as the 10th member of the VBI CoP and participated in the development of the VBI Financing & Investment Impact Assessment Framework.	
102-13	Membership of associations	Page 96 RHB is a member of various local industry associations.	
Strategy			
102-14	Statement from senior decision-maker	Pages 12 - 13	
Ethics & Integrity			
102-16	Values, principles, standards, and norms of behaviour	Page 53 Refer to Integrated Report 2019: Page 119 RHB Core Shared Values ("P.R.I.D.E.") and Code of Ethics and Conduct govern the integrity of behaviour in the organisation.	
102-17	Mechanisms for advice and concerns about ethics	Page 53 Refer to Integrated Report 2019: Page 139 A whistleblowing channel is available to RHB employees and the public. Further information on reporting channels is available under "Speak Up" at RHB's corporate website: https://www.rhbgroup.com/others/about-us/index.html	
Governance			
102-18	Governance structure	Pages 16, 83 Refer to Integrated Report 2019: Pages 114 - 115 Refer to RHB Foundation's website for its governance structure at https://www.rhbgroup.com/community-engagements/board.html	

GENERAL DISCLOSURES			
GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Governance			
102-23	Chair of the highest governance body	Refer to Integrated Report 2019: Page 115 The chair of the Board of Directors is a non-executive.	
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 16 Refer to Integrated Report 2019: Pages 114 - 115 Refer to RHB Bank's Board Charter for Board of Director's responsibility on sustainability / ESG: https://www.rhbgroup.com/files/others/about-us/corporate-governance/rhb-bank-berhad/board-charter.pdf	
102-31	Review of economic, environmental, and social topics	Page 16 Sustainability is a recurring matter at Board level at least once every six months and at the Senior Management ("GMC") level every quarter.	
Stakeholder Engagement			
102-40	List of stakeholder groups	Pages 24 to 27	
102-41	Collective bargaining agreements	Page 97 15.5% of our total employees are covered by union and collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	Pages 24 - 25	
102-43	Approach to stakeholder engagement	Pages 24 to 27	
102-44	Key topics and concerns raised	Pages 24 to 27	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Refer to RHB Bank Berhad Financial Report 2019: Pages 77 - 90	
102-46	Defining report content and topic boundaries	Pages 2, 19	
102-47	List of Material Matters	Pages 19, 20 - 23	
102-48	Restatements of information	Pages 68, 100	
102-49	Changes in reporting	Page 18	
102-50	Reporting period	Page 2 The RHB Sustainability Report 2019 covers the period from 1 January 2019 to 31 December 2019, unless otherwise stated.	
102-51	Date of most recent report	This report (RHB Sustainability Report 2019) published in April 2020 is the latest report.	
102-52	Reporting cycle	Page 2 The RHB Sustainability Report is published annually.	
102-53	Contact point for questions regarding the report	Page 2 sustainability@rhbgrou.com	
102-54	Claims of reporting in accordance with the GRI Standards	Page 2 This report has been prepared 'in accordance' with the GRI Standards Core option.	
102-55	GRI content index	Pages 102 - 108	
102-56	External assurance	No external assurance has been conducted for this report.	

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Material Matter: Sustainable Financing				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Pages 28 - 41	
	103-3	Evaluation of the management approach		

GRI Content Index

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Material Matter: Sustainable Financing				
GRI G4 Financial Sector Disclosures: Product Portfolio	Former FS1	Policies with specific environmental and social components applied to business lines	Page 28 - 30 Refer to Integrated Report 2019: Page 53, 59 Refer to Our Approach to Sustainability under ESG Risk Management - available online at https://www.rhbgroup.com/files/others/sustainability/RHB_Our_Approach_to_Sustainability__Mar_2020_v3_1_.pdf	
	Former FS2	Procedures for assessing and screening environmental and social risks in business lines		
	Former FS5	Interactions with clients/ investees/ business partners regarding environmental and social risks and opportunities	Page 28 - 30, 39 RHB Asset Management Group have been engaging with various stakeholders on key sustainability and ESG issues	
GRI G4 Financial Sector Disclosures: Local Communities	FS14	Initiatives to improve access to financial services for disadvantaged people	Pages 35, 36 - 37, 40, 48 - 49 Refer to Integrated Report: Pages 68 - 69	
Material Matter: Financial Inclusion & Education				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Pages 35, 36 - 37, 40, 48 - 49, 93 Refer to Integrated Report: Pages 68 - 69	
	103-3	Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Pages 35, 36 - 37, 93 Refer to Integrated Report: Pages 68 - 69	
GRI G4 Financial Sector Disclosures: Local Communities	FS14	Initiatives to improve access to financial services for disadvantaged people	Pages 35, 36 - 37, 40, 48 - 49 Refer to Integrated Report: Pages 68 - 69	
GRI G4 Financial Sector Disclosures: Product and Service Labeling	Former FS16	Initiatives to enhance financial literacy by type of beneficiary	Page 93 Beneficiaries include students and youth as well as customers.	
Material Matter: Customer Relationship Management				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Pages 32 - 33, 42 - 46 Our Customer Service Charter which is available on RHB's website outlines our key commitments and service standards when providing service to our customers.	
	103-3	Evaluation of the management approach		
Non GRI Disclosure		Net Promoter Score	Page 42 In 2019, our Net Promoter Score ("NPS") has improved since 2018, with RHB Malaysia recording +9 while RHB Singapore recorded +20 improvement.	
Material Matter: Fair Treatment of Financial Customers				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Page 47	
	103-3	Evaluation of the management approach		

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Material Matter: Fair Treatment of Financial Customers				
GRI 417: Market & Labelling 2016	417-1	Requirements for product and service information and labelling	Page 47 Refer Integrated Report 2019: Page 126	
GRI G4 Financial Sector Disclosures: Product and Service Labeling	FS15	Policies for the fair design and sale of financial products and services		
Material Matter: Digitalisation & Investment in Technology				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21.	
	103-2	The management approach and its components	Pages 48 - 51 Refer Integrated Report 2019: Pages 16 - 17	
	103-3	Evaluation of the management approach		
Non GRI Disclosure		Digital channels transaction	Page 49 Refer Integrated Report 2019: Pages 16 -17	
Non GRI Disclosure		Digital active customers	Page 49 Refer Integrated Report 2019: Pages 16 -17	
Material Matter: Good Business Governance				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Pages 52 - 54 Refer to Integrated Report 2019: Pages 94 - 119 Refer to Corporate Governance Report 2019 available on RHB website	
	103-3	Evaluation of the management approach		
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Page 54 Refer to Integrated Report 2019: Pages 116 - 118, 119 Refer to Corporate Governance Report 2019 available on RHB website As of April 2020, a mandatory e-learning course focused on anti-bribery and corruption has been introduced for all RHB employees. Prior to that, matters such as anti-bribery and corruption were covered under the Group's e-learning for Gifts and Hospitality.	
Material Matter: Risk Management				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Pages 28 - 30, 53 - 54 Refer to Integrated Report 2019: Pages 52 - 59, 132 - 140 Effective risk management is fundamental in driving sustainable growth and enhancing shareholder value while maintaining the Group's competitive advantage. It is thus a central part of the proactive risk management of the Group's operating environment. The Group Risk Management Framework governs the management of risks in the Group.	
	103-3	Evaluation of the management approach		
Material Matter: Dynamic Regulatory Landscape				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Pages 26 - 27, 53 - 54 Refer to Integrated Report 2019: Pages 56, 116 - 118 Regulators and policymakers concerns along with our response are found under Stakeholder Engagement. Regulatory non-compliance risk is a significant risk.	
	103-3	Evaluation of the management approach		

GRI Content Index

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Material Matter: Data Protection & Cybersecurity				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 20 - 21	
	103-2	The management approach and its components	Page 55 Refer to Integrated Report 2019: Pages 55 -56 The Group Guidelines on Personal Data Protection Act 2010 (PDPA) document provides guidance on how to comply with PDPA's and Bank Negara Malaysia's requirements to safeguard individual's personal data from being misused.	
	103-3	Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Refer to Integrated Report 2019: Pages 55-56, 116 - 118 We established a blueprint for IT Security covering people, process and technology. We use data leakage protection solution to ensure confidentiality of customer data, and policies are in place to protect customers information and integrity.	Confidentiality constraints - readiness to share publicly (if any) on any substantiated complaints for this.
Material Matter: Talent Management				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 56-59	
	103-3	Evaluation of the management approach		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Pages 56, 99 - 100 The total new employee hires as at 31st Dec 2019 was 2,273 with 15.8% recruitment rate. Total number of attrition was 1,825 with 13.4% attrition rate. Note: Data is for permanent employees only.	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 58, 61 Benefits include among others: life insurance, healthcare, disability and invalidity coverage, parental leave, retirement provision as well as a family-friendly workplace by providing nursing rooms, three-month maternity leave and flexi-hour work arrangements.	
Material Matter: Employee Training & Education				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 63 - 66, 100 - 101	
	103-3	Evaluation of the management approach		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Pages 63, 101	
	404-2	Programmes for upgrading employee skills and transition assistance	Pages 50, 58, 61, 63 - 66 5,035 employees participated in the FORWARD programme which reskills and up- skills them for redeployment as workforce of the future. Through RHB Digital Academy, Digital Bootcamps and digital learning we continued to invest in tech talent and nurturing the next generation of leaders and workforce (workforce for the future).	
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance review applies to all RHB employees excluding temporary employees for the 2019 assessment period in accordance with our internal policy.	
Material Matter: Employee Health & Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 67 - 70 The Occupational Safety and Health ("OSH") Committee, chaired by the Group Chief Human Resource Officer, comprises nine employer representatives and nine employee representatives, six of whom are unionised.	
	103-3	Evaluation of the management approach		

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Material Matter: Employee Health & Safety				
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Page 68	
	403-6	Promotion of worker health	Pages 62, 69 - 70 RHB Wellness Programme exists. In 2019, rolled out RHB Wellness 2.0, launched Quit Smoking Challenge, organised FitCycle and other health awareness programmes	
	403-9	Work-related injuries	Page 68	
	403-10	Work-related ill health	Page 68	
Material Matter: Diversity & Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 52, 60 - 62, 97 - 100 Refer to Integrated Report 2019: Pages 94 - 101, 104 - 105 Refer to Corporate Governance Report 2019 available on RHB website for further information on RHB Board of Directors' composition	
	103-3	Evaluation of the management approach		
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 52, 60 - 62, 97 - 100 Refer to Integrated Report 2019: Pages 94 - 101, 104 - 105 Refer to Corporate Governance Report 2019 on RHB website for further information on RHB Board of Directors' composition	
Material Matter: Environmental Stewardship				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 71 - 75	
	103-3	Evaluation of the management approach		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 71 Combined electricity consumption of 16,798,515 kWh at RHB Centre and RHB Complex in Klang Valley	
	302-4	Reduction of energy consumption	Page 71	
GRI 303: Water 2016	303-1	Water withdrawal	Page 72 Total water consumption at RHB Centre and RHB Bank Complex was 148,200m ³ or 148.2 megalitres	
Material Matter: Climate Change				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 77 - 79	
	103-3	Evaluation of the management approach		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Pages 77 - 79 127 tCO ₂ e (GHG reporting for RHB Centre and RHB Complex in Klang Valley, Malaysia only)	
	305-2	Energy indirect (Scope 2) GHG emissions	Pages 77 - 79 13,200 tCO ₂ e (GHG reporting for RHB Centre and RHB Complex in Klang Valley, Malaysia only)	
	305-3	Other indirect (Scope 3) GHG emissions	Pages 77 - 79 342 tCO ₂ e (GHG reporting for RHB Centre and RHB Complex in Klang Valley, Malaysia only)	

GRI Content Index

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
Material Matter: Sustainable Procurement				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 80 - 81	
	103-3	Evaluation of the management approach		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 81 90% of Group Procurement Malaysia's total spend was spent on local suppliers in Malaysia	
Material Matter: Nurturing Future Generations				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 82 - 92, 93 Refer to RHB Foundation's website for Board of Trustees: https://www.rhbgroup.com/community-engagements/board.html	
	103-3	Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Pages 11, 82 Total community investment (2017 - 2019) - RM9.5 million. 10 students received the RHB X-Cel Star Scholarship in 2019, with plans to increase to 15 per annum.	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Pages 11, 32 - 33, 84 - 93	
Material Matter: Financial Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Page 10 Refer to Integrated Report 2019: Pages 19 - 30 for Group Chief Financial Officer's Review	
	103-3	Evaluation of the management approach		
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Page 10 Refer to Integrated Report 2019: Pages 19 - 30, 46 - 47	Confidentiality constraints - information not reported is business confidential.
Material Matter: Indirect Economic Impact				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 19, 22 - 23	
	103-2	The management approach and its components	Pages 10 - 11, 34 - 35, 36 - 37, 41, 81, 82 Refer to Integrated Report 2019: Pages 68 - 69 Our business activities and initiatives positive affect the wider economy and local communities from an indirect economic point of view by providing for taxes, zakat, employment opportunities as well as supporting the growth of SMEs, local suppliers, homeownership and community engagement (investing in communities).	
	103-3	Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Pages 10 - 11, 34 - 35, 36 - 37, 41, 81 - 82, 93 Refer to Integrated Report 2019: Pages 68 - 69	



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