



MEDIA RELEASE

Axiata and RHB Formalise Joint Bid for Digital Bank License and Group-wide Partnership

*Group-to-Group collaboration to drive innovation and
accelerate Malaysia's digital financial journey*

Kuala Lumpur, 2 June 2021 – Axiata Group Berhad (Axiata) and RHB Banking Group (RHB) (together “Parties”) today formalised an MoU (“Partnership”) to expand and deepen collaborations between both Parties. The most advanced of these is the signing of a comprehensive Heads of Agreement (“Agreement”) between an Axiata subsidiary, Boost Holdings Sdn Bhd (Boost Holdings) and RHB to form a consortium to apply for a digital banking license (Digital Bank) under the framework issued by Bank Negara Malaysia (BNM). Both Parties consider this Partnership as a robust platform to drive innovation, increase competitiveness and accelerate the country’s digital transformation and financial inclusion ambition.

Spearheading the group-wide partnership is the formation of the Digital Bank consortium. As equity partners in the consortium, Boost Holdings will own a majority stake of 60%, while RHB will own the remaining 40% in the Digital Bank, subject to approval from BNM. Celcom Axiata Berhad has signed up as a major commercial partner on joint Go-To-Market activities with the Digital Bank on products and services which will benefit the customers of both parties. Other commercial partners are being finalised and will be announced in due course.

The Parties will seek to expand on Boost Holdings’ extensive fintech experience developed through Aspirasi, a digital micro-financing and micro-insurance provider and the Boost e-Wallet, a top three e-wallet and lifestyle app. Boost Holdings’ intimate knowledge of customers via analytics and artificial intelligence will provide better customer solutions, product personalisation and risk-based pricing.

RHB sees the Digital Bank as an extension of its Digital Transformation Programme which is a core component of its FIT22 strategy. With the right digital model and partner, RHB seeks to increase financial inclusion and expedite the development of digital journeys and products to wider segments of the community (e.g. MSMEs, Gig Economy). RHB will bring to the consortium many years of established trust with customers and regulators, as well as extensive experience in running a bank with proven expertise across core banking services,

risk management and compliance, liquidity, capital, operational and credit management, product management, and responsible financing.

The Parties will also leverage RHB's Agile@Scale experience in building successful digital offerings such as the RHB MyHome app, SME integrated eSolutions, Digital SME Financing App (first AI enabled Digital SME lending app in Malaysia), and eKYC on-boarding solution to spur similar innovation for Digital Bank customers.

RHB and Axiata firmly believe that the Digital Bank will unlock synergistic opportunities to benefit underserved retail customers and micro-SMEs that fall outside the normal focus of traditional banks.

Complementary to the Digital Bank, RHB and Axiata are also exploring more opportunities to enhance their joint customer ecosystems. In recognition of the strength of their respective SME ecosystems, one potential initiative involves providing combined solutions to SMEs. Axiata currently serves more than 250,000 merchants and micro businesses via their Boost e-Wallet and Aspirasi microfinancing businesses, whereas RHB offers more than 200,000 of its SMEs access to a connected ecosystem of SME banking and business solutions (integrated suite for payments, human resource management, accounting, and financing).

Today's Partnership is the culmination of a strong relationship seeded since 2018 with RHB that has seen fruitful partnerships between RHB Islamic Bank and Boost e-Wallet. These included donations being facilitated via the SyuQR digital platform, a cashless payment facility for government clinics, and many others. Both parties will continue to support government agencies in driving cashless payments and digital financial services in Malaysia.

Commentaries

Commenting on the partnership, Axiata's President & Group CEO **Dato' Izzaddin Idris** said: "We are pleased to expand our partnership with RHB in cementing our mutual commitment to support the Government's ambition to narrow, if not close the national digital divide. Through innovative, efficient and secure banking services, we are confident our strategic collaboration will meet the fast-evolving demands of segments of retail customers and micro-SMEs overlooked by traditional institutions."

"For the past five years, Axiata has been doubling down on our efforts to strengthen the foundation of our financial inclusion objectives. Through Celcom and platforms such as Aspirasi and Boost e-Wallet, we have made great leaps in the provision of innovative and inclusive digital financial services. As we inject our deep fintech experience and data-driven insights to break new grounds in digital inclusion, complemented by RHB's proven risk and compliance experience, the establishment of a digital bank is a natural next step in expanding and deepening our ongoing momentum to deliver Malaysia's digital transformation objectives."

"Capitalising on synergies and opportunities further unlocked by this partnership, I am confident these two trusted brands will achieve successful outcomes to benefit customers who

are expecting greater conveniences, personalisation, improved experiences and better credit access, centered on the Internet to deliver banking services nationwide.”

Dato’ Khairussaleh Ramli, Group Managing Director / Group CEO of RHB Banking Group said: “The MoU sets the foundation for both RHB and Axiata to explore further group-wide partnership opportunities in all countries where we mutually operate. We believe that broadening our collaboration will result in greater accomplishments particularly in enhancing customer experience as well as providing greater accessibility to banking services for a wide range of customers.”

“The joint bid for a Digital Bank license demonstrates our commitment to building the best solutions for our customers in every segment and partner with parties that can bring value to the overall proposition. This includes the continued integration of the existing RHB and Axiata (Boost e-Wallet, Aspirasi, Celcom) customer ecosystems to provide a better range of joint solutions, better connectivity, and even more convenience to all our customers. It is an extension of RHB’s Brand promise of ‘Together We Progress’, where we commit to being a trusted partner to our customers, provide solutions that help achieve their goals, nurture future generations, and deliver simple, fast and seamless experiences. It is our hope that an innovative and responsible Digital Bank will do just that for the underserved and unbanked in Malaysia.”

Sheyantha Abeykoon, CEO of Boost Holdings Sdn Bhd said: “Today’s partnership will create a market leader in providing financial inclusion services to the underserved. With Boost Holdings’ fintech expertise and RHB’s track record of compliance, our combined customers can be assured of accessible, convenient and trusted solutions for all of their financial needs. We look forward to offering our over 9 million customers an unbeatable value proposition with a groundbreaking Digital Bank.”

Dr. Siew Chan Cheong, Group Chief Strategy Officer of RHB Banking Group said: “Ingrained within our strategies at RHB is the firm belief that success in the future is underpinned by the ability to expand ecosystem offerings with trusted partners to solve unmet needs and provide highly tailored solutions for customers in every segment. Ecosystem partnerships between RHB and Axiata will benefit our SME and retail customers across SEA. The Digital Bank partnership with Axiata is proof of our commitment to continuously innovate at RHB, with the goal of expediting the build of convenient and impactful solutions for the underserved.”

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About Axiata

As one of the leading telecommunications groups in Asia in pursuit of its vision to be The Next Generation Digital Champion by 2024, Axiata has transformed itself from a holding entity with a portfolio of pure-play mobile assets into a Triple Core Strategy driven business focusing on Digital Telco, Digital Businesses and Infrastructure.

Within ASEAN and South Asia, the Group has controlling stakes in market-leading mobile and fixed operators in the region including 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in

Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Axiata is actively spearheading efforts to transform its mobile-centric operations into digital converged companies.

Axiata Digital, the digital services arm of Axiata is focused on two digital business verticals namely Digital Financial Services ('Boost', 'Aspirasi') and Digital Analytics & AI ('ADA').

'edotco', the Group's infrastructure company, operates in eight countries to deliver telecommunications infrastructure services, amassing approximately 32,800 towers. Presently the 16th largest independent tower companies globally, it aims to be one of the top regional telecommunications tower companies and is committed to responsible and sustainable business operations.

As a committed and long-term investor, and in line with its sustainability goals, the Group actively supports and drives young talent development; disaster response and recovery; as well as green initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent.

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About RHB Banking Group

The RHB Banking Group, with RHB Bank Berhad as the holding company, is the fourth largest fully integrated financial services group in Malaysia. Effective 1 July 2021, the Group's core businesses are structured into five main business pillars, namely Group Community Banking, Group Wholesale Banking, Group Shariah Business, Group International Business, and Group Insurance.

Group Community Banking comprises Retail Banking and SME Banking, while Group Wholesale Banking comprises Group Investment Banking, Group Corporate Banking, Group Treasury & Global Markets, Group Asset Management, Commercial Banking, Transaction Banking, and Economics.

All the five Strategic Business Groups (SBG) will offer their financial solutions through RHB Bank Berhad and its main subsidiaries – RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad, while its asset management and unit trust businesses are undertaken by RHB Asset Management Sdn. Bhd. and RHB Islamic International Asset Management Berhad.

The Group's regional presence now spans nine countries including Malaysia, Singapore, Indonesia, Thailand, Brunei, Cambodia, Vietnam, Lao PDR and Myanmar.

For more information, please visit www.rhbgroup.com

For **media enquiries**, please contact Norazzah Sulaiman at 012-644 8321 / norazzah@rhbgroup.com or Cairil Irwan at 012-333 5007 / cairil@rhbgroup.com

Customers may call our Customer Contact Centre at 03-92068118 for enquiries on RHB's products and services.

About Boost Holdings

Boost Holdings Sdn Bhd includes Axiata Digital's Fintech businesses in Malaysia and Indonesia. Its portfolio includes Aspirasi, a digital micro-financing and micro-insurance service provider, Boost, a top three e-wallet and lifestyle app in Malaysia and Apigate a leading digital merchant acquisition & payment platform. Aspirasi is an end-to-end digital financial services platform that serves and empowers micro-enterprises and SME businesses. Its aim is to help the underserved community achieve their business goals, while providing support on their journey of dynamic financial growth. Boost is a homegrown

lifestyle e-wallet that aims to revolutionise the way consumers transact on a daily basis. Combining lifestyle needs and cutting-edge digital technology, Boost strives to make transactions easier, faster, more secure & overall a more rewarding experience for consumers.

For more information, visit <https://www.axiatadigital.com>, <https://www.aspirasi.co>, and <https://www.myboost.com.my>

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