



Boost and RHB Consortium Committed Towards Delivering Greater Financial Inclusion in Malaysia with Digital Bank License

Consortium records a significant milestone as one of the pioneers to establish a digital bank and fuel the creation of a more vibrant financial services sector

KUALA LUMPUR, 29 April 2022 - Boost, the fintech arm of Axiata Group Berhad (Axiata) and RHB Banking Group (RHB) today achieved a significant milestone having secured the highly anticipated digital bank licence (DBL) issued by Bank Negara Malaysia (BNM).

In June last year, the partnership between Boost and RHB to form a Digital Bank consortium was announced, with Boost owning a majority stake of 60%, and RHB owning the remaining 40% in the Digital Bank to drive innovation, increase competitiveness and fast-track the country's digital transformation ambition.

To deliver on the key criteria established by BNM, both parties will combine their deep expertise in specific areas - Boost's extensive fintech experience and RHB's intimate knowledge in banking services and risk management, to build a comprehensive suite of affordable and accessible digital banking and financial solutions. The aim will be to create greater access for financial inclusion digitally amongst the underserved and unserved segments.

Commenting on the development, **Dato' Izzaddin Idris, President & Group CEO of Axiata who is also the Chairman of Boost said**, "This is a significant milestone for Axiata's fintech business and a validation of the strong value proposition we bring to the table with our partners RHB Banking Group. The digital banking business aligns with our collective aspirations to support Malaysia's digital transformation, as well as the advancement of Axiata's digital inclusion drive across the region."

"Securing this license in our home ground delivers multi-pronged opportunities to address ongoing digitalisation shifts across our businesses. On one hand, we can now deliver financial inclusion to underserved and unserved segments such as the Micro and Small and Medium



Enterprise community as they scale for growth to support the nation's economic recovery. At the same time, we're able to actively meet demand from our expanding digital-first consumer base seeking convenient, improved, and secure user experiences for banking and credit access. This development also reinforces Boost's experience and capabilities to pursue regional opportunities in this high-growth segment."

Sheyantha Abeykoon, Group CEO of Boost said, "At Boost, we are extremely excited and thrilled with the announcement by BNM today. The Digital Bank will be a catalyst for greater financial inclusion and aligns with our core mission to financially empower and support users and merchants. The award of the digital banking licence now fulfils our vision of becoming a full spectrum fintech player in the region to better serve the underserved and as one of the pioneers in the industry, we look forward to this very exciting journey in creating an inclusive digital and financial ecosystem for all Malaysians together with RHB via the digital bank."

Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group stated, "We are privileged to be part of this exciting chapter for the financial services industry in Malaysia. The Digital Banking license granted to RHB and our partner Axiata is an important step in reinforcing our commitment to continuously enhance our value propositions and better serve our stakeholders, particularly in providing quality financial services to a wider range of customers, in this case - underserved businesses and individuals in Malaysia. Our joint customers will gain access to credit that is digital, nimble, and secure. Which ties in well with RHB's brand commitment of delivering simple, fast and seamless experiences. We look forward to playing our part in charting the industry's evolution into this exciting era of digital banking and making progress happen for everyone."

Dr. Siew Chan Cheong, Chief Strategy Officer of RHB further added, "Building a successful digital bank for underserved customers in Malaysia means embedding ourselves deeply into the daily lives of our customers to ensure that the digital bank is present and ready when they need it - Such an entity must exhibit not just high levels of convenience, but also a high level of trustworthiness and responsibility. Together with Boost, we believe that the digital bank we're building together will have all this in place. The digital bank also demonstrates RHB's



commitment and desire to spur innovation within Malaysian financial services.”

Gearing Up for the Digital Bank

Over the past few years, Boost has been laying the foundation and building the essential blocks for a digital bank, one of which is through a large lending business via Boost Credit. Through this, the fintech player has developed a large digitally engaged core customer base with deep data-driven insights to break new grounds to build strong value propositions that solve the pain points of the underserved. Partnering with RHB enables Boost to leverage the latter’s banking expertise. Boost has been making significant investments in building technology platforms and hopes to be able to launch the service in the near term.

RHB, on the other hand, brings to the consortium many years of established trust with customers and regulatory authorities, as well as proven expertise across key banking areas including 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 model to achieve speed in delivery and productivity as well as in building successful digital offerings similar to what has already been achieved in existing innovative offerings such as RHB MyHome app, RHB SME e-Solutions, SME Online Financing (first AI enabled Digital SME lending app in Malaysia), RHB Reflex and eKYC on-boarding solutions.

Boost also signed an MOU with Credit Guarantee Corporation Malaysia (CGC) in June last year through its subsidiary, Boost Credit for a potential digital bank guarantee, and became the first digital bank licensee to collaborate with CGC. The MoU encompasses two key parts - the first is a commitment to explore extending a Portfolio Guarantee for the future Digital Bank’s MSME focused loans, and the second involves a collaboration with CGC in taking up referrals to provide financing for eligible MSMEs without collateral.

The Future of Digital Banking in Malaysia

With the announcement of five digital banking licenses, Malaysia is now poised to unlock the benefits of a fresh digital banking journey. It echoes a growing international confidence in digital banking solutions, with almost 250 digital banks established globally by the end of 2020, of which 50 of the digital banks are based in the Asia



Pacific region. Acceptance of digital banking solutions has grown rapidly in recent years.

According to the 2021 Visa Consumer Payment Attitudes study, over 74% of Malaysians are aware of digital banking and 66% are interested in using digital banking services. This is also evident within RHB with 93% of all transactions being digital in 2021, which is a significant increase from 64% in 2017.

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About Boost

Boost is the fintech arm of Axiata that unifies financial services spanning payments, micro-financing, micro-insurance, cross border content services and merchant solutions. We combine deep fintech, in-house data and AI to meet growing and diverse needs of our customers and merchants across the region, with the aim of becoming a full spectrum fintech player in Southeast Asia. Our businesses are streamlined into four core brands:

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| Boost Life | The eWallet consumer platform that focuses on consumer lifestyle offerings such as online and offline retail payments, bill settlement, insurance and transportation & transit use cases with new features constantly introduced. |
| Boost Biz | The merchant business that offers a payment platform for enterprises of all sizes, business tools and digitalisation solutions. |
| Boost Credit | Formerly Aspirasi, it houses the micro-financing & micro-insurance business and is a pioneering Digital Alternative financier in Malaysia and Indonesia. |
| Boost Connect | Formerly Apigate, a predominantly payment facilitation business that aggregates and distributes content via a seamless API platform. |

Users can download Boost from the [Google Play Store](#), [App Store](#) or [HUAWEI AppGallery](#).

For more information, check out the website at www.myboost.com.my, [newsroom](#), or follow Boost on Facebook (facebook.com/myboostapp) and Instagram (instagram.com/myboostapp).

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') and Digital Analytics & AI ('ADA').

'edotco', the Group's infrastructure company, operates in eight countries to deliver telecommunications infrastructure services, amassing approximately 42,227 owned and managed towers. Presently among the top 10 independent tower companies globally, edotco 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.

About the RHB Banking Group

The RHB Banking Group, with RHB Bank Berhad as the holding company, is one of the largest fully integrated financial services groups in Malaysia. 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

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