



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September	30 September	30 September	30 September
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	A8	<b>1,616,577</b>	2,027,220	<b>5,285,307</b>	6,093,830
Interest expense	A9	<b>(711,006)</b>	(1,111,837)	<b>(2,598,221)</b>	(3,420,623)
Net interest income		<b>905,571</b>	915,383	<b>2,687,086</b>	2,673,207
Other operating income	A10	<b>568,900</b>	396,071	<b>1,625,691</b>	1,319,834
Income from Islamic Banking business	A30(b)	<b>355,672</b>	418,837	<b>1,197,303</b>	1,231,100
Net modification loss	A11	-	-	<b>(392,385)</b>	-
Net income		<b>1,830,143</b>	1,730,291	<b>5,117,695</b>	5,224,141
Other operating expenses	A12	<b>(853,745)</b>	(822,562)	<b>(2,497,338)</b>	(2,487,342)
Operating profit before allowances		<b>976,398</b>	907,729	<b>2,620,357</b>	2,736,799
Allowance for credit losses on financial assets	A13	<b>(186,514)</b>	(64,222)	<b>(540,661)</b>	(208,044)
Impairment losses made on other non-financial assets		-	-	<b>(9,500)</b>	-
		<b>789,884</b>	843,507	<b>2,070,196</b>	2,528,755
Share of results of joint venture		-	-	-	(30)
Profit before taxation and zakat		<b>789,884</b>	843,507	<b>2,070,196</b>	2,528,725
Taxation and zakat	B5	<b>(214,106)</b>	(217,296)	<b>(505,046)</b>	(633,154)
Profit from continuing operations		<b>575,778</b>	626,211	<b>1,565,150</b>	1,895,571
Profit/(Loss) from discontinued operations	B10	<b>48,198</b>	(9,406)	<b>34,661</b>	(30,539)
Net profit for the financial period		<b>623,976</b>	616,805	<b>1,599,811</b>	1,865,032
Attributable to:					
- Equity holders of the Bank		<b>622,249</b>	615,828	<b>1,593,899</b>	1,861,424
- Non-controlling interests		<b>1,727</b>	977	<b>5,912</b>	3,608
		<b>623,976</b>	616,805	<b>1,599,811</b>	1,865,032
Earnings per share (sen):					
- Profit from continuing operations attributable to equity holders of the Bank					
- Basic	B12	<b>14.3</b>	15.6	<b>38.9</b>	47.2
- Diluted	B12	<b>14.3</b>	15.6	<b>38.9</b>	47.2
- Profit attributable to equity holders of the Bank					
- Basic	B12	<b>15.5</b>	15.4	<b>39.7</b>	46.4
- Diluted	B12	<b>15.5</b>	15.4	<b>39.7</b>	46.4

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

Note	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Net profit for the financial period	<b>623,976</b>	616,805	<b>1,599,811</b>	1,865,032
Other comprehensive income/(loss) in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Actuarial gain/(loss) on defined benefit plan of subsidiaries	<b>(30)</b>	9	<b>1,623</b>	(2,156)
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Net gain on disposal	-	-	-	5,664
- Unrealised net gain/(loss) on revaluation	<b>24,433</b>	(11,337)	<b>60,391</b>	21,119
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	<b>(135,651)</b>	36,524	<b>(12,729)</b>	67,400
- Net investment hedge	-	(820)	-	(820)
(b) Realisation of foreign exchange reserve and net investment hedge from discontinued operations B10	<b>(75,752)</b>	(316)	<b>(75,603)</b>	(194)
(c) Debt instruments measured at FVOCI				
- Unrealised net gain on revaluation	<b>547,783</b>	475,512	<b>1,263,236</b>	1,374,228
- Net transfer to income statements on disposal	<b>(111,380)</b>	(43,034)	<b>(346,128)</b>	(144,380)
- Changes in expected credit losses and exchange differences	<b>(648)</b>	(7,705)	<b>(2,872)</b>	(13,794)
Income tax relating to components of other comprehensive income	<b>(104,712)</b>	(96,169)	<b>(220,513)</b>	(181,892)
Other comprehensive income, net of tax, for the financial period	<b>144,043</b>	352,664	<b>667,405</b>	1,125,175
Total comprehensive income for the financial period	<b>768,019</b>	969,469	<b>2,267,216</b>	2,990,207
Total comprehensive income attributable to:				
- Equity holders of the Bank	<b>766,441</b>	968,472	<b>2,261,400</b>	2,986,563
- Non-controlling interests	<b>1,578</b>	997	<b>5,816</b>	3,644
	<b>768,019</b>	969,469	<b>2,267,216</b>	2,990,207
Total comprehensive income/(loss) attributable to equity holders of the Bank from:				
- Continuing operations	<b>793,995</b>	978,194	<b>2,302,342</b>	3,017,296
- Discontinued operations B10	<b>(27,554)</b>	(9,722)	<b>(40,942)</b>	(30,733)
	<b>766,441</b>	968,472	<b>2,261,400</b>	2,986,563

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September	30 September	30 September	30 September
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
<b>Bank</b>					
Interest income	A8	<b>1,589,527</b>	2,014,063	<b>5,240,541</b>	6,050,845
Interest expense	A9	<b>(684,386)</b>	(1,094,329)	<b>(2,531,359)</b>	(3,342,292)
Net interest income		<b>905,141</b>	919,734	<b>2,709,182</b>	2,708,553
Other operating income	A10	<b>274,072</b>	254,866	<b>1,300,034</b>	872,542
Income from Islamic Banking business	A30(b)	<b>1,381</b>	991	<b>2,469</b>	2,216
Net modification loss	A11	<b>-</b>	-	<b>(159,597)</b>	-
Net income		<b>1,180,594</b>	1,175,591	<b>3,852,088</b>	3,583,311
Other operating expenses	A12	<b>(563,392)</b>	(569,070)	<b>(1,660,382)</b>	(1,700,859)
Operating profit before allowances		<b>617,202</b>	606,521	<b>2,191,706</b>	1,882,452
Allowance for credit losses on financial assets	A13	<b>(34,049)</b>	(57,359)	<b>(292,482)</b>	(230,037)
Impairment losses made on other non-financial assets		<b>-</b>	-	<b>(52,500)</b>	-
Profit before taxation		<b>583,153</b>	549,162	<b>1,846,724</b>	1,652,415
Taxation	B5	<b>(145,916)</b>	(133,277)	<b>(379,990)</b>	(399,655)
Net profit for the financial period		<b>437,237</b>	415,885	<b>1,466,734</b>	1,252,760

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Net profit for the financial period	<b>437,237</b>	415,885	<b>1,466,734</b>	1,252,760
Other comprehensive income/(loss) income in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Net gain on disposal	-	-	-	1,544
- Unrealised net gain/(loss) on revaluation	<b>24,533</b>	(11,243)	<b>58,593</b>	18,040
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	<b>(39,584)</b>	7,627	<b>(12,277)</b>	21,174
(b) Debt instruments measured at FVOCI				
- Unrealised net gain on revaluation	<b>455,015</b>	405,068	<b>1,021,494</b>	1,171,292
- Net transfer to income statements on disposal	<b>(99,200)</b>	(35,773)	<b>(310,958)</b>	(131,817)
- Changes in expected credit losses and exchange differences	<b>(1,019)</b>	(6,133)	<b>(2,649)</b>	(10,485)
Income tax relating to components of other comprehensive income	<b>(85,396)</b>	(88,631)	<b>(170,529)</b>	(142,130)
Other comprehensive income, net of tax, for the financial period	<b>254,349</b>	270,915	<b>583,674</b>	927,618
Total comprehensive income for the financial period	<b>691,586</b>	686,800	<b>2,050,408</b>	2,180,378

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	Note	Group		Bank	
		As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds		9,537,377	11,627,992	7,750,041	5,502,893
Securities purchased under resale agreements		64,298	-	64,298	-
Deposits and placements with banks and other financial institutions		3,098,073	1,095,567	6,887,018	5,349,632
Investment account due from designated financial institutions	A14	-	-	8,198,537	8,229,334
Financial assets at fair value through profit or loss ('FVTPL')	A15	4,281,830	4,623,447	2,258,804	2,530,288
Financial assets at fair value through other comprehensive income ('FVOCI')	A16	41,002,598	39,805,304	34,609,256	33,934,272
Financial investments at amortised cost	A17	15,345,237	14,249,409	9,828,799	9,702,802
Loans, advances and financing	A18	179,203,383	173,236,672	107,825,966	107,345,665
Clients' and brokers' balances		866,058	893,448	-	-
Reinsurance assets		478,231	510,176	-	-
Other assets	A19	2,285,761	1,258,179	1,285,387	1,104,841
Derivative assets	B8	1,429,345	855,256	1,562,431	903,584
Statutory deposits		657,665	4,549,296	271,253	2,608,316
Tax recoverable		323,278	467,103	273,021	433,364
Deferred tax assets		23,343	22,989	-	-
Investments in subsidiaries		-	-	4,901,397	4,914,479
Investments in associates and joint venture		12	9,512	-	-
Right of use assets		142,144	112,807	75,062	86,015
Property, plant and equipment		1,016,759	991,305	769,363	753,671
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		628,696	629,912	561,489	548,437
<b>TOTAL ASSETS</b>		<b>263,038,210</b>	<b>257,592,496</b>	<b>188,837,035</b>	<b>185,662,506</b>
<b>LIABILITIES</b>					
Deposits from customers	A20/B7(a)	196,773,044	190,555,225	130,794,044	131,571,124
Deposits and placements of banks and other financial institutions	A21/B7(a)	20,800,590	21,539,329	22,491,166	19,173,832
Obligations on securities sold under repurchase agreements		991,879	2,048,516	3,714,433	3,772,623
Bills and acceptances payable		206,695	254,945	190,547	205,528
Clients' and brokers' balances		801,005	824,166	-	-
General insurance contract liabilities		1,100,036	1,106,886	-	-
Other liabilities	A22	3,482,682	3,210,479	1,823,809	1,844,975
Derivative liabilities	B8	2,062,111	1,160,927	1,974,425	1,155,074
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,272,551	3,535,996	-	1,265,757
Provision for taxation and zakat		62,293	60,172	-	-
Deferred tax liabilities		318,240	169,763	274,818	136,711
Lease liabilities		146,255	111,769	76,844	85,323
Borrowings	B7(b)	1,117,323	1,182,527	831,597	840,177
Senior debt securities	B7(c)	3,352,116	3,296,763	3,352,116	3,296,763
Subordinated obligations	B7(d)	2,223,173	2,724,224	1,255,463	1,565,396
<b>TOTAL LIABILITIES</b>		<b>235,709,993</b>	<b>231,781,687</b>	<b>166,779,262</b>	<b>164,913,283</b>

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2020

	Note	Group		Bank	Restated
		As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>EQUITY</b>					
Share capital		6,994,103	6,994,103	6,994,103	6,994,103
Reserves		20,300,833	18,781,291	15,063,670	13,755,120
<b>Equity attributable to holders of the Bank</b>		<b>27,294,936</b>	25,775,394	<b>22,057,773</b>	20,749,223
Non-controlling interests ('NCI')		33,281	35,415	-	-
<b>TOTAL EQUITY</b>		<b>27,328,217</b>	25,810,809	<b>22,057,773</b>	20,749,223
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>263,038,210</b>	257,592,496	<b>188,837,035</b>	185,662,506
<b>COMMITMENTS AND CONTINGENCIES</b>	A27(a)	<b>162,168,412</b>	150,427,794	<b>154,824,162</b>	143,445,965
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)</b>		<b>6.81</b>	6.43		

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

Group	Note	← Attributable to equity holders of the Bank →						Total Shareholders' Equity	Non-controlling Interests	Total Equity	
		Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves				Retained Profits
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance as at 1 January 2020</b>		<b>6,994,103</b>	<b>513</b>	<b>838,992</b>	<b>1,328,060</b>	<b>688,866</b>	<b>23,331</b>	<b>15,901,529</b>	<b>25,775,394</b>	<b>35,415</b>	<b>25,810,809</b>
Net profit for the financial period		-	-	-	-	-	-	1,593,899	1,593,899	5,912	1,599,811
Foreign currency translation reserves:											
- Currency translation differences		-	-	-	(114)	(12,507)	-	-	(12,621)	(108)	(12,729)
- Realisation of foreign exchange reserve and net investment hedge from discontinued operations	B10	-	-	-	-	(75,603)	-	-	(75,603)	-	(75,603)
Financial assets measured at FVOCI:											
- Equity instruments											
- Net gain/(loss) on disposal		-	-	-	162	-	-	(162)	-	-	-
- Unrealised net gain on revaluation		-	-	-	60,391	-	-	-	60,391	-	60,391
- Debt instruments											
- Unrealised net gain on revaluation		-	-	-	1,263,236	-	-	-	1,263,236	-	1,263,236
- Net transfer to income statements on disposal		-	-	-	(346,128)	-	-	-	(346,128)	-	(346,128)
- Changes in expected credit losses and exchange differences		-	-	-	(2,872)	-	-	-	(2,872)	-	(2,872)
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	1,607	1,607	16	1,623
Income tax relating to components of other comprehensive income		-	-	-	(220,130)	-	-	(379)	(220,509)	(4)	(220,513)
Other comprehensive income/(loss), net of tax, for the financial period		-	-	-	754,545	(88,110)	-	1,066	667,501	(96)	667,405
Total comprehensive income/(loss) for the financial period		-	-	-	754,545	(88,110)	-	1,594,965	2,261,400	5,816	2,267,216
Dividends paid		-	-	-	-	-	-	(741,858)	(741,858)	(7,950)	(749,808)
Transfer from regulatory reserves		-	-	(631,896)	-	-	-	631,896	-	-	-
<b>Balance as at 30 September 2020</b>		<b>6,994,103</b>	<b>513</b>	<b>207,096</b>	<b>2,082,605</b>	<b>600,756</b>	<b>23,331</b>	<b>17,386,532</b>	<b>27,294,936</b>	<b>33,281</b>	<b>27,328,217</b>

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

Group	← Attributable to equity holders of the Bank →							Total Shareholders' Equity	Non-controlling Interests	Total Equity
	Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2019</b>	6,994,103	513	249,687	376,108	684,275	23,331	15,026,912	23,354,929	37,954	23,392,883
Net profit for the financial period	-	-	-	-	-	-	1,861,424	1,861,424	3,608	1,865,032
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	(118)	67,453	-	-	67,335	65	67,400
- Net investment hedge	-	-	-	-	(820)	-	-	(820)	-	(820)
- Realisation of foreign exchange reserve and net investment hedge from discontinued operations	B10	-	-	-	(194)	-	-	(194)	-	(194)
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain/(loss) on disposal	-	-	-	(1,729)	-	-	7,393	5,664	-	5,664
- Unrealised net gain on revaluation	-	-	-	21,119	-	-	-	21,119	-	21,119
- Debt instruments										
- Unrealised net gain on revaluation	-	-	-	1,374,228	-	-	-	1,374,228	-	1,374,228
- Net transfer to income statements on disposal	-	-	-	(144,380)	-	-	-	(144,380)	-	(144,380)
- Changes in expected credit losses and exchange differences	-	-	-	(13,794)	-	-	-	(13,794)	-	(13,794)
Actuarial loss on defined benefit plan of subsidiaries	-	-	-	-	-	-	(2,137)	(2,137)	(19)	(2,156)
Income tax relating to components of other comprehensive income	-	-	-	(180,678)	-	-	(1,204)	(181,882)	(10)	(181,892)
Other comprehensive income, net of tax, for the financial period	-	-	-	1,054,648	66,439	-	4,052	1,125,139	36	1,125,175
Total comprehensive income for the financial period	-	-	-	1,054,648	66,439	-	1,865,476	2,986,563	3,644	2,990,207
Dividends paid	-	-	-	-	-	-	(521,306)	(521,306)	(7,950)	(529,256)
Transfer to regulatory reserves	-	-	529,660	-	-	-	(529,660)	-	-	-
<b>Balance as at 30 September 2019</b>	<u>6,994,103</u>	<u>513</u>	<u>779,347</u>	<u>1,430,756</u>	<u>750,714</u>	<u>23,331</u>	<u>15,841,422</u>	<u>25,820,186</u>	<u>33,648</u>	<u>25,853,834</u>

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

Bank	← Non-Distributable →			Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2020</b>	<b>6,994,103</b>	<b>352,506</b>	<b>1,165,505</b>	<b>374,754</b>	<b>11,862,355</b>	<b>20,749,223</b>
Net profit for the financial period	-	-	-	-	1,466,734	1,466,734
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	(12,277)	-	(12,277)
Financial assets measured at FVOCI:						
- Equity instruments						
- Unrealised net gain on revaluation	-	-	58,593	-	-	58,593
- Debt instruments						
- Unrealised net gain on revaluation	-	-	1,021,494	-	-	1,021,494
- Net transfer to income statements on disposal	-	-	(310,958)	-	-	(310,958)
- Changes in expected credit losses and exchange differences	-	-	(2,649)	-	-	(2,649)
Income tax relating to components of other comprehensive income	-	-	(170,529)	-	-	(170,529)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	595,951	(12,277)	-	583,674
Total comprehensive income/(loss) for the financial period	-	-	595,951	(12,277)	1,466,734	2,050,408
Dividends paid	-	-	-	-	(741,858)	(741,858)
Transfer from regulatory reserves	-	(321,765)	-	-	321,765	-
<b>Balance as at 30 September 2020</b>	<b>6,994,103</b>	<b>30,741</b>	<b>1,761,456</b>	<b>362,477</b>	<b>12,908,996</b>	<b>22,057,773</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

Bank	← Non-Distributable →			Translation Reserves	Distributable	Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves		Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2019</b>	6,994,103	126,230	349,347	371,680	11,460,176	19,301,536
Net profit for the financial period	-	-	-	-	1,252,760	1,252,760
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	21,174	-	21,174
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain/(loss) on disposal	-	-	(479)	-	2,023	1,544
- Unrealised net gain on revaluation	-	-	18,040	-	-	18,040
- Debt instruments						
- Unrealised net gain on revaluation	-	-	1,171,292	-	-	1,171,292
- Net transfer to income statements on disposal	-	-	(131,817)	-	-	(131,817)
- Changes in expected credit losses and exchange differences	-	-	(10,485)	-	-	(10,485)
Income tax relating to components of other comprehensive income	-	-	(142,130)	-	-	(142,130)
Other comprehensive income, net of tax, for the financial period	-	-	904,421	21,174	2,023	927,618
Total comprehensive income for the financial period	-	-	904,421	21,174	1,254,783	2,180,378
Dividends paid	-	-	-	-	(521,306)	(521,306)
Transfer to regulatory reserves	-	296,738	-	-	(296,738)	-
<b>Balance as at 30 September 2019</b>	<b>6,994,103</b>	<b>422,968</b>	<b>1,253,768</b>	<b>392,854</b>	<b>11,896,915</b>	<b>20,960,608</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Nine Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000
<b>Group</b>		
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation and zakat:		
- Continuing operations	2,070,196	2,528,725
- Discontinued operations	33,130	(30,075)
Profit before taxation and zakat, including discontinued operations	<u>2,103,326</u>	<u>2,498,650</u>
Adjustments for:		
Allowance for credit losses on loans, advances and financing	735,258	434,438
Allowance for credit losses on other financial assets	15,697	2,243
Property, plant and equipment:		
- Depreciation	83,511	93,849
- Gain on disposal	(172)	(1,894)
- Written off	24	267
Intangible assets:		
- Amortisation	88,982	89,537
- Written off	4,761	5
Right of use assets:		
- Depreciation	57,108	55,504
- Gain on modification	(13)	-
Net allowance made/(written back) on financial assets at FVOCI and financial investments at amortised cost	136	(30,708)
Share of results of joint venture	-	30
Net gain on financial instruments	(481,113)	(247,507)
Gain on remeasurement of previously held equity interest in a joint venture	-	(258)
(Gain)/Loss on disposal of subsidiaries	(55,017)	51
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(49,413)	(59,686)
Net modification loss	392,385	-
Interest expense on borrowings, senior debt securities, Hybrid Tier-1 Capital Securities, subordinated obligations and lease liabilities	185,875	277,890
Other non-cash items	(1,373,583)	(1,539,570)
Operating profit before working capital changes	<u>1,707,752</u>	<u>1,572,841</u>
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	(64,298)	-
Deposits and placements with banks and other financial institutions	(1,992,167)	(136,053)
Financial assets at FVTPL	721,441	(557,755)
Loans, advances and financing	(7,386,861)	(4,552,457)
Clients' and brokers' balances	(54,954)	70,972
Other assets	(1,011,995)	143,397
Statutory deposits	<u>3,897,050</u>	<u>(161,159)</u>
	<u>(5,891,784)</u>	<u>(5,193,055)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	6,216,631	4,353,293
Deposits and placements of banks and other financial institutions	(556,863)	3,080,542
Obligations on securities sold under repurchase agreements	(1,056,127)	(892,783)
Bills and acceptances payable	(48,186)	(29,235)
Clients' and brokers' balances	(23,161)	19,150
Other liabilities	329,590	113,399
Recourse obligation on loans sold to Cagamas	(1,263,445)	8,491
	<u>3,598,439</u>	<u>6,652,857</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Nine Months Ended	
	30 September 2020	30 September 2019
Note	RM'000	RM'000
<b>Group</b>		
<b>Cash flows from operating activities (continued)</b>		
Cash (used in)/generated from operations	(585,593)	3,032,643
Interest paid	(182,506)	(259,093)
Net tax and zakat paid	(432,055)	(632,190)
Net cash (used in)/generated from operating activities	<u>(1,200,154)</u>	<u>2,141,360</u>
<b>Cash flows from investing activities</b>		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(1,045,624)	(5,632,974)
Property, plant and equipment:		
- Purchase	(109,748)	(85,910)
- Proceeds from disposal	199	3,584
Intangible assets:		
- Purchase	(95,583)	(109,751)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest received	1,246,515	1,155,891
- Investment income received	270,066	241,334
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	49,413	59,686
Net cash inflow from disposal of subsidiaries	136,201	16,548
Net cash inflow from additional equity acquisition of a joint venture	-	10,710
Contingent consideration received arising from disposal of a subsidiary	15,961	-
Net cash generated from/(used) in investing activities	<u>467,400</u>	<u>(4,340,882)</u>
<b>Cash flows from financing activities</b>		
Net repayment of borrowings	(70,463)	(81,758)
Proceeds from issuance of senior debt securities	-	1,255,580
Redemption of Hybrid Tier-1 Capital Securities	-	(370,000)
Proceeds from issuance of Subordinated Sukuk Murabahah	-	500,000
Redemption of Subordinated Sukuk Murabahah	-	(500,000)
Proceeds from issuance of subordinated notes	500,000	-
Redemption of subordinated notes	(1,000,000)	(1,000,000)
Dividends paid to equity holders of the Bank	(741,858)	(521,306)
Dividends paid to NCI	(7,950)	(7,950)
Principal lease payments	(46,096)	(64,593)
Net cash used in financing activities	<u>(1,366,367)</u>	<u>(790,027)</u>
Net decrease in cash and cash equivalents	(2,099,121)	(2,989,549)
Effects of exchange rate differences	8,506	58,660
Cash and cash equivalents:		
- at the beginning of the financial year	11,627,992	12,553,188
- at the end of the financial year	<u>9,537,377</u>	<u>9,622,299</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>9,537,377</u>	<u>9,622,299</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	Nine Months Ended	
	30 September 2020	30 September 2019
	RM'000	RM'000
<b>Bank</b>		
<b>Cash flows from operating activities</b>		
Profit before taxation	1,846,724	1,652,415
Adjustments for:		
Allowance for credit losses on loans, advances and financing	483,794	440,561
Allowance for credit losses on other financial assets	1,646	(1,215)
Property, plant and equipment:		
- Depreciation	68,824	72,882
- Gain on disposal	(14)	(1,674)
- Written off	1	106
Intangible assets:		
- Amortisation	75,312	74,285
- Written off	-	5
Right of use assets:		
- Depreciation	39,306	34,386
Impairment loss on investment in a subsidiary	52,500	-
Net allowance written back on financial assets at FVOCI and financial investments at amortised cost	(2,476)	(26,509)
Net gain on financial instruments	(400,879)	(205,307)
Dividend income from financial assets at FVOCI	(4,404)	(4,256)
Dividend income from subsidiaries	(378,910)	(62,544)
Net modification loss	159,597	-
Interest expense on borrowings, senior debt securities, Hybrid Tier-1 Capital Securities, subordinated obligations and lease liabilities	138,663	224,995
Other non-cash items	(1,054,573)	(1,209,727)
Operating profit before working capital changes	<u>1,025,111</u>	<u>988,403</u>
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	(64,298)	-
Deposits and placements with banks and other financial institutions	(1,536,470)	(658,793)
Investment accounts due from designated financial institutions	30,797	(111,718)
Financial assets at FVTPL	441,943	(515,942)
Loans, advances and financing	(1,236,784)	1,043,602
Other assets	(876,694)	359,570
Statutory deposits	<u>2,337,938</u>	<u>98,467</u>
	<u>(903,568)</u>	<u>215,186</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	(851,084)	857,452
Deposits and placements of banks and other financial institutions	3,296,034	693,949
Obligations on securities sold under repurchase agreements	(76,935)	303,121
Bills and acceptances payable	(16,587)	(60,785)
Other liabilities	799,083	(175,474)
Recourse obligation on loans sold to Cagamas	<u>(1,265,757)</u>	<u>6,117</u>
	<u>1,884,754</u>	<u>1,624,380</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	<b>Nine Months Ended</b>	
	<b>30 September 2020</b>	<b>30 September 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Bank</b>		
<b>Cash flows from operating activities (continued)</b>		
Cash generated from operations	2,006,297	2,827,969
Interest paid	(146,485)	(220,372)
Net tax paid	(255,809)	(458,722)
Net cash generated from operating activities	<u>1,604,003</u>	<u>2,148,875</u>
<b>Cash flows from investing activities</b>		
Net proceeds/(purchase) of financial assets at FVOCI and financial investments at amortised cost	331,729	(4,236,502)
Property, plant and equipment:		
- Purchase	(84,729)	(73,673)
- Proceeds from disposal	14	3,362
Intangible assets:		
- Purchase	(88,533)	(96,915)
Interest received from financial assets at FVOCI and financial investments at amortised cost	1,193,393	1,100,974
Dividend income received from subsidiaries	378,910	62,544
Dividend income received from financial assets at FVOCI	4,404	4,256
Additional investments in a subsidiary	(39,418)	-
Net cash generated from/(used in) investing activities	<u>1,695,770</u>	<u>(3,235,954)</u>
<b>Cash flows from financing activities</b>		
Net repayment of borrowings	(21,073)	(130,606)
Proceeds from issuance of senior debt securities	-	1,255,580
Redemption of Hybrid Tier-1 Capital Securities	-	(370,000)
Proceeds from issuance of subordinated notes	500,000	-
Redemption of subordinated notes	(800,000)	(1,000,000)
Dividends paid to equity holders of the Bank	(741,858)	(521,306)
Principal lease payments	(30,286)	(35,745)
Net cash used in financing activities	<u>(1,093,217)</u>	<u>(802,077)</u>
Net increase/(decrease) in cash and cash equivalents	2,206,556	(1,889,156)
Effects of exchange rate differences	40,592	7,184
Cash and cash equivalents:		
- at the beginning of the financial year	5,502,893	8,855,326
- at the end of the financial year	<u>7,750,041</u>	<u>6,973,354</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>7,750,041</u>	<u>6,973,354</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A1. Basis Of Preparation**

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2019.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following during the current financial period:

(a) Accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Group and the Bank for financial period beginning on or after 1 January 2020:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'
- Amendments to MFRS 3 'Definition of a Business'
- Amendments to MFRS 7, MFRS 9 and MFRS 139 'Interest Rate Benchmark Reform'

The adoption of the above accounting standards, annual improvements and amendments do not give rise to any material financial impact to the Group and the Bank.

(b) Changes in regulatory requirements - additional measures issued by Bank Negara Malaysia ('BNM')

Given the exceptional circumstances brought about by the COVID-19 pandemic, BNM announced on 24 March 2020 the following measures which are aimed to ensure that the financial intermediation function of the financial sector remains intact, access to financing continues to be available and banking institutions remain focused on supporting the economy during this challenging period:

- (i) Banking institutions to grant an automatic moratorium on all loan/financing repayments covering both principal and interest/profit (except for credit card balances) by individuals and small and medium-sized enterprises ('SMEs') for a period of 6 months effective 1 April 2020. This automatic moratorium is applicable to loans/financing that are not in arrears exceeding 90 days as at 1 April 2020 and denominated in Malaysian Ringgit;
- (ii) For credit cards, customers shall have the option of converting the outstanding balances into a term loan/financing of a tenure of not more than 3 years and an effective interest/profit rate capped at 13% per annum. For customers who have been unable to meet the minimum repayment for 3 consecutive months, their credit card balances will be automatically converted into a term loan with the abovementioned terms;
- (iii) Banking institutions are also strongly encouraged to facilitate requests for a moratorium for corporate borrowers in a way that enables viable corporations to preserve jobs and swiftly resume economic activities;
- (iv) Banking institutions are given the following relaxation of the prudential buffers, which will need to be restored to the minimum regulatory requirements by 30 September 2021:
  - Drawdown of capital conservation buffer of 2.5%;
  - Operate below the minimum liquidity coverage ratio ('LCR') of 100%; and
  - Reduce the regulatory reserves held against expected credit losses to 0%.
- (v) The implementation of the Net Stable Funding Ratio ('NSFR') will proceed as scheduled on 1 July 2020. However, the minimum NSFR will be lowered to 80% and banking institutions will be required to comply with the requirement of 100% from 30 September 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A1. Basis Of Preparation (Continued)**

- (b) Changes in regulatory requirements - additional measures issued by Bank Negara Malaysia ('BNM') (continued)

The adoption of the above additional measures give rise to the following observations and financial impact:

- (i) The financial impact to the Group and the Bank are as disclosed in Note A11;
- (ii) Loan/financing granted with moratorium will not be considered as 'restructuring and rescheduling', unless with extended tenure and revising original repayment amount;
- (iii) The moratorium does not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment of whether there has been a significant increase in credit risk. Instead, the Group and the Bank will assess other factors, such as historical repayment and delinquency trends before the COVID-19 outbreak, in considering whether the borrower has experienced a significant increase in credit risk;
- (iv) The Group and the Bank have continued to maintain in aggregate the loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures;
- (v) Measurement of expected credit losses

The impact of the COVID-19 pandemic remains uncertain and represents a material downside risk to the economy. While the methodologies and assumptions applied in the base expected credit loss ('ECL') calculations remained unchanged from those applied in the 2019 audited financial statements, the Group and the Bank have incorporated the following estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of ECL:

- Forward looking macro-economic information and assumptions relating to the COVID-19 pandemic have been considered, including potential impacts of the COVID-19 pandemic, recognising uncertainty still exists in relation to the duration of the COVID-19 pandemic-related restrictions, the anticipated impact of government stimulus and regulatory actions;
- When determining whether the risk of default has increased significantly since initial recognition, both quantitative and qualitative information is considered, including expert credit assessment, forward looking information and analysis based on the Group's historical loss experience; and
- Consistent with industry guidance, customer support payment deferrals as part of the COVID-19 pandemic moratorium packages, by itself, will not result in a significant increase in credit risk, and therefore will not trigger an automatic migration from stage 1 (12-month ECL) to stage 2 (Lifetime ECL) in the credit impairment provision for such loan/financing.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A2. Auditors' Report**

The auditors' report for the financial year ended 31 December 2019 was not subject to any qualification.

**A3. Seasonal Or Cyclical Factors**

The business operations of the Group and the Bank have not been affected by any material seasonal or cyclical factors.

**A4. Exceptional Or Unusual Items**

There were no exceptional or unusual items for the nine months ended 30 September 2020, other than the impact of COVID-19 and net modification loss as disclosed in Note A11 and the disposal of a subsidiary as disclosed in Note B10.

**A5. Changes In Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the nine months ended 30 September 2020, other than as disclosed in Note A1(b).

**A6. Changes In Debt and Equity Securities**

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the nine months ended 30 September 2020, other than as disclosed below:

- (a) RHB Investment Bank Berhad ('RHB Investment Bank'), a wholly-owned subsidiary of the Bank, had on 16 April 2020 fully redeemed its existing subordinated notes of RM200 million in nominal value under a RM1 billion Multi-Currency Medium Term Note Programme which was issued on 16 April 2015;
- (b) The Bank had on 29 April 2020 fully redeemed its existing subordinated notes of RM300 million in nominal value under a RM3 billion medium term note programme which was issued on 29 April 2010;
- (c) The Bank had on 8 May 2020 fully redeemed its existing subordinated notes of RM500 million in nominal value under a RM5 billion multi-currency medium term note programme which was issued on 8 May 2015; and
- (d) The Bank had on 28 May 2020 issued Subordinated Notes of RM500 million in nominal value under a RM5 billion (or its equivalent in other currencies) multi-currency medium term note programme ('Subordinated Notes'). The Subordinated Notes is issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 3.35% per annum, payable semi-annually in arrears throughout the entire tenure.

**A7. Dividends Paid**

During the nine months ended 30 September 2020, the Bank has paid a final single-tier dividend of 18.5 sen per share in respect of the financial year ended 31 December 2019, amounting to RM741,858,000 on 26 June 2020.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A8. Interest Income**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,182,890	1,545,898	3,918,946	4,676,806
Money at call and deposits and placements with banks and other financial institutions	18,782	36,837	64,351	134,661
Financial assets at FVTPL	12,495	16,183	48,014	60,428
Financial assets at FVOCI - debt instruments	291,275	302,033	912,991	846,922
Financial investments at amortised cost	105,642	121,719	326,287	362,105
Others	5,493	4,550	14,718	12,908
	<b>1,616,577</b>	<b>2,027,220</b>	<b>5,285,307</b>	<b>6,093,830</b>
Of which:				
Interest income accrued on impaired financial assets	<b>9,988</b>	28,464	<b>47,253</b>	80,605
<b>Bank</b>				
Loans and advances	1,097,976	1,458,000	3,657,496	4,413,525
Money at call and deposits and placements with banks and other financial institutions	35,368	49,116	131,380	167,078
Investment account due from designated financial institutions	64,293	85,161	217,804	254,863
Securities purchased under resale agreements	60	-	60	-
Financial assets at FVTPL	12,214	16,001	47,728	59,658
Financial assets at FVOCI - debt instruments	285,633	295,214	894,226	826,590
Financial investments at amortised cost	93,103	108,816	288,131	323,479
Others	880	1,755	3,716	5,652
	<b>1,589,527</b>	<b>2,014,063</b>	<b>5,240,541</b>	<b>6,050,845</b>
Of which:				
Interest income accrued on impaired financial assets	<b>8,085</b>	26,283	<b>39,843</b>	73,014



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A9. Interest Expense**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	58,681	123,215	265,497	379,587
Deposits from customers	597,451	867,632	2,137,108	2,658,168
Obligations on securities sold under repurchase agreements	3,423	7,794	15,983	20,404
Recourse obligation on loans sold to Cagamas	-	33,727	11,045	100,081
Subordinated obligations	15,852	25,457	57,151	98,131
Senior debt securities	25,356	35,239	77,416	98,304
Hybrid Tier-1 Capital Securities	-	3,828	-	18,522
Borrowings	5,168	8,754	19,717	28,742
Others	5,075	6,191	14,304	18,684
	<b>711,006</b>	<b>1,111,837</b>	<b>2,598,221</b>	<b>3,420,623</b>
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	67,531	124,713	293,714	393,313
Deposits from customers	562,591	836,934	2,036,040	2,550,725
Obligations on securities sold under repurchase agreements	10,147	27,323	44,176	59,448
Recourse obligation on loans sold to Cagamas	-	33,727	11,045	100,081
Subordinated obligations	13,382	20,491	46,892	83,396
Senior debt securities	25,356	35,239	77,416	98,304
Hybrid Tier-1 Capital Securities	-	3,913	-	18,774
Borrowings	2,203	7,006	12,108	22,653
Others	3,176	4,983	9,968	15,598
	<b>684,386</b>	<b>1,094,329</b>	<b>2,531,359</b>	<b>3,342,292</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A10. Other Operating Income**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
- Service charges and fees	28,630	37,332	94,421	124,153
- Commission	38,048	37,559	113,758	112,571
- Guarantee fees	9,514	9,204	24,126	24,810
- Commitment fees	10,968	10,567	31,308	31,916
- Brokerage income	144,737	53,061	316,240	161,420
- Fund management fees	65,360	60,614	190,309	171,635
- Unit trust fee income	40,889	40,840	78,342	78,669
- Corporate advisory fees	6,973	4,616	14,510	26,511
- Underwriting and arrangement fees	2,295	4,248	9,652	24,047
- Other fee income	18,537	13,499	47,785	48,027
	<u>365,951</u>	<u>271,540</u>	<u>920,451</u>	<u>803,759</u>
- Fee and commission expenses	(88,301)	(67,210)	(186,503)	(151,122)
	<u>277,650</u>	<u>204,330</u>	<u>733,948</u>	<u>652,637</u>
<b>Net gain arising from financial assets at FVTPL</b>				
- Net gain on disposal	152,420	37,558	257,604	110,023
- Unrealised net gain/(loss) on revaluation	(16,834)	(17,030)	65,738	63,086
- Dividend income	16,878	15,259	44,300	54,650
	<u>152,464</u>	<u>35,787</u>	<u>367,642</u>	<u>227,759</u>
<b>Net (loss)/gain on revaluation of derivatives</b>	(112,967)	5,166	(198,398)	(79,424)
<b>Net gain/(loss) on fair value hedges</b>	(341)	(177)	2,998	(139)
<b>Net loss arising from derecognition of financial investments at amortised cost</b>	(1)	-	(9)	-
<b>Net gain arising from financial assets at FVOCI</b>				
- Net gain on debt instruments on disposal	99,322	35,833	311,344	132,091
- Dividend income	3,080	930	5,113	5,030
	<u>102,402</u>	<u>36,763</u>	<u>316,457</u>	<u>137,121</u>
<b>Other income</b>				
Net foreign exchange gain	80,899	58,149	170,433	189,819
Insurance underwriting surplus before management expenses	56,161	40,085	177,646	138,817
Gain on disposal of property, plant and equipment	117	19	172	1,894
Gain on remeasurement of previously held equity interest in a joint venture	-	-	-	258
Loss on disposal of a subsidiary	-	(51)	-	(51)
Gain/(Loss) on modification of right of use assets	(25)	-	13	-
Rental income	435	726	880	1,472
Other operating income	5,133	7,885	17,244	24,589
Other non-operating income	6,973	7,389	36,665	25,082
	<u>149,693</u>	<u>114,202</u>	<u>403,053</u>	<u>381,880</u>
	<u>568,900</u>	<u>396,071</u>	<u>1,625,691</u>	<u>1,319,834</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A10. Other Operating Income (continued)**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Bank	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
- Service charges and fees	25,857	35,025	84,938	116,293
- Commission	47,063	43,532	129,500	131,929
- Guarantee fees	9,473	8,680	23,447	23,875
- Commitment fees	10,610	9,958	30,286	29,776
- Corporate advisory fees	243	-	243	-
- Other fee income	6,336	4,656	16,679	15,435
	<u>99,582</u>	<u>101,851</u>	<u>285,093</u>	<u>317,308</u>
<b>Net gain arising from financial assets at FVTPL</b>				
- Net gain on disposal	25,320	30,193	130,603	82,746
- Unrealised net (loss)/gain on revaluation	(2,439)	(7,077)	(10,599)	13,468
	<u>22,881</u>	<u>23,116</u>	<u>120,004</u>	<u>96,214</u>
<b>Net loss on revaluation of derivatives</b>	(575)	(3,090)	(33,077)	(22,585)
<b>Net gain/(loss) on fair values hedges</b>	(341)	(177)	2,998	(139)
<b>Net loss arising from derecognition of financial investments at amortised cost</b>	(1)	-	(9)	-
<b>Net gain arising from financial assets at FVOCI</b>				
- Net gain on debt instruments on disposal	99,199	35,773	310,963	131,817
- Dividend income	2,644	586	4,404	4,256
	<u>101,843</u>	<u>36,359</u>	<u>315,367</u>	<u>136,073</u>
<b>Dividend income from subsidiaries</b>	1,000	8,000	378,910	62,544
<b>Other income</b>				
Net foreign exchange gain	34,754	72,340	171,231	241,746
Gain on disposal of property, plant and equipment	9	19	14	1,674
Rental income	2,885	3,261	8,429	9,308
Other operating income	5,254	7,474	16,054	23,535
Other non-operating income	6,781	5,713	35,020	6,864
	<u>49,683</u>	<u>88,807</u>	<u>230,748</u>	<u>283,127</u>
	<u>274,072</u>	<u>254,866</u>	<u>1,300,034</u>	<u>872,542</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A11. Net Modification Loss**

The Group and the Bank have granted an automatic payment moratorium on certain loan/financing to individuals and SMEs as further disclosed in Note A1(b). As a result of the payment moratorium, the Group and the Bank have recognised a loss arising from the modification of cash flows of the loan/financing. This loss is set-off against the fair value gain on concessionary funding received as part of the COVID-19 relief measures. The net modification loss will be unwound through the income statements over the remaining tenure of the loan/financing and funding.

**A12. Other Operating Expenses**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	440,602	394,643	1,260,797	1,207,613
- Defined contribution plan	58,192	54,443	174,325	165,154
- Other staff related costs	31,070	45,215	106,626	125,235
	<u>529,864</u>	<u>494,301</u>	<u>1,541,748</u>	<u>1,498,002</u>
<b>Establishment costs</b>				
- Property, plant and equipment:				
- Depreciation	28,446	31,478	82,533	92,151
- Written off	18	2	24	225
- Intangible assets:				
- Amortisation	29,253	29,431	86,733	86,737
- Written off	-	-	-	5
- Right of use assets:				
- Depreciation	17,188	19,830	53,307	51,249
- Rental of premises	4,424	6,101	20,656	24,603
- Rental of equipment	2,705	1,823	7,153	5,247
- Insurance	(567)	9,065	15,919	25,807
- Water and electricity	6,683	7,604	20,556	22,990
- Repair and maintenance	7,633	8,090	22,470	24,319
- Security and escorting expenses	11,727	10,867	33,611	33,213
- Information technology expenses	67,611	58,391	197,009	187,811
- Others	5,728	1,948	11,379	5,860
	<u>180,849</u>	<u>184,630</u>	<u>551,350</u>	<u>560,217</u>
<b>Marketing expenses</b>				
- Sales commission	26,735	23,350	71,747	70,118
- Advertisement and publicity	9,743	11,252	28,695	43,369
- Others	20,578	21,159	54,842	67,768
	<u>57,056</u>	<u>55,761</u>	<u>155,284</u>	<u>181,255</u>
<b>Administration and general expenses</b>				
- Communication expenses	43,161	35,241	114,166	110,829
- Legal and professional fee	8,548	11,708	25,070	26,882
- Others	34,267	40,921	109,720	110,157
	<u>85,976</u>	<u>87,870</u>	<u>248,956</u>	<u>247,868</u>
	<u>853,745</u>	<u>822,562</u>	<u>2,497,338</u>	<u>2,487,342</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A12. Other Operating Expenses (continued)**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Bank	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	273,822	255,681	793,701	783,533
- Defined contribution plan	40,897	37,519	122,253	114,313
- Other staff related costs	20,033	28,322	67,862	77,494
	<u>334,752</u>	<u>321,522</u>	<u>983,816</u>	<u>975,340</u>
<b>Establishment costs</b>				
- Property, plant and equipment:				
- Depreciation	24,938	25,284	68,824	72,882
- Written off	1	-	1	106
- Intangible assets:				
- Amortisation	25,574	25,265	75,312	74,285
- Written off	-	-	-	5
- Right of use assets:				
- Depreciation	13,178	11,996	39,306	34,386
- Rental of premises	2,847	5,458	10,028	15,805
- Rental of equipment	2,630	1,935	7,115	5,066
- Insurance	806	8,505	16,931	25,082
- Water and electricity	4,095	4,570	12,414	13,674
- Repair and maintenance	5,582	5,423	16,547	17,351
- Security and escorting expenses	11,599	10,774	33,853	32,923
- Information technology expenses	39,642	35,987	116,267	113,061
	<u>130,892</u>	<u>135,197</u>	<u>396,598</u>	<u>404,626</u>
<b>Marketing expenses</b>				
- Sales commission	19,194	16,833	51,525	49,710
- Advertisement and publicity	6,814	7,934	18,155	28,004
- Others	8,705	10,233	24,272	29,859
	<u>34,713</u>	<u>35,000</u>	<u>93,952</u>	<u>107,573</u>
<b>Administration and general expenses</b>				
- Communication expenses	25,216	23,427	72,589	72,933
- Legal and professional fee	15,333	26,086	53,507	68,225
- Others	22,486	27,838	59,920	72,162
	<u>63,035</u>	<u>77,351</u>	<u>186,016</u>	<u>213,320</u>
	<u>563,392</u>	<u>569,070</u>	<u>1,660,382</u>	<u>1,700,859</u>



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A13. Allowance for Credit Losses on Financial Assets**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	227,129	102,177	626,641	312,475
- Bad debts recovered	(95,096)	(72,908)	(209,483)	(195,214)
- Bad debts written off	35,852	41,751	108,773	121,562
	167,885	71,020	525,931	238,823
Financial assets at FVOCI	(381)	(7,637)	(2,767)	(14,054)
Financial investments at amortised cost	2,258	1,236	2,903	(16,654)
Other financial assets	16,752	(397)	14,594	(71)
	186,514	64,222	540,661	208,044

**Bank**

<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	93,518	95,529	388,889	332,480
- Bad debts recovered	(85,471)	(68,650)	(190,482)	(182,800)
- Bad debts written off	29,354	38,396	94,905	108,081
	37,401	65,275	293,312	257,761
Financial assets at FVOCI	(752)	(6,064)	(2,544)	(10,744)
Financial investments at amortised cost	(585)	(923)	68	(15,765)
Other financial assets	(2,015)	(929)	1,646	(1,215)
	34,049	57,359	292,482	230,037

**A14. Investment Account Due From Designated Financial Institutions**

This investment account which is exposure to Restricted Profit Sharing Investment Account ('RPSIA'), is an arrangement by the Bank with its wholly-owned subsidiary, RHB Islamic Bank Berhad ('RHB Islamic Bank').

The underlying assets of RHB Islamic Bank for the RPSIA are as follows:

Principal	Bank	
	As at	As at
	30 September	31 December
	2020	2019
	RM'000	RM'000
Personal financing	1,000,000	1,000,000
Other term financing	6,282,801	6,320,301
Unquoted securities	811,775	811,775
	8,094,576	8,132,076





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A15. Financial Assets at Fair Value Through Profit or Loss ('FVTPL')**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>Mandatory measured at fair value</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	671,439	491,029	671,439	491,029
Malaysian Government Investment Issues	939,319	1,606,524	905,670	1,399,379
Thailand Government Bonds	6,766	-	6,766	-
Singapore Housing Development Board	-	30,383	-	30,383
Singapore Government Securities	-	16,922	-	16,922
Thailand Central Bank Bills	117,744	-	117,744	-
<b><u>Quoted securities:</u></b>				
<b>In Malaysia</b>				
Shares, exchange traded funds and warrants	206,522	23,716	-	-
Unit trusts	64,410	65,906	-	-
Corporate bond/sukuk	3,487	3,324	3,487	3,324
<b>Outside Malaysia</b>				
Shares, exchange traded funds and warrants	170,483	282,457	3,390	3,337
<b><u>Unquoted securities:</u></b>				
<b>In Malaysia</b>				
Corporate bond/sukuk	175,868	254,807	174,508	254,807
Unit trusts	1,019,151	1,024,555	-	-
Prasarana bonds	30,070	-	30,070	-
Commercial paper	199,333	119,813	199,333	119,813
<b>Outside Malaysia</b>				
Corporate bond/sukuk	146,397	211,294	146,397	211,294
Private equity funds	530,841	492,717	-	-
	<b>4,281,830</b>	<b>4,623,447</b>	<b>2,258,804</b>	<b>2,530,288</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A16. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI')**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>At fair value</b>				
(a) Debt instruments	<b>40,246,646</b>	39,109,505	<b>33,896,352</b>	33,279,961
(b) Equity instruments	<b>755,952</b>	695,799	<b>712,904</b>	654,311
	<b>41,002,598</b>	39,805,304	<b>34,609,256</b>	33,934,272
<b>(a) Debt instruments</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	<b>1,830,531</b>	2,471,928	<b>1,692,751</b>	2,338,619
Malaysian Government Investment Issues	<b>6,494,076</b>	6,111,157	<b>5,265,230</b>	4,618,503
Cagamas bonds	<b>169,035</b>	168,360	<b>158,932</b>	158,135
Khazanah bonds	<b>48,038</b>	45,910	-	-
Negotiable instruments of deposits	<b>299,168</b>	650,517	-	500,980
Other foreign government investment issues	<b>61,848</b>	50,473	<b>61,848</b>	50,473
Sukuk Perumahan Kerajaan	<b>73,889</b>	71,596	-	-
Singapore Government Securities	<b>716,405</b>	1,125,612	<b>716,405</b>	1,125,612
Thailand Government Securities	<b>681,301</b>	581,245	<b>681,301</b>	581,245
Singapore Central Bank Bills	<b>2,242,240</b>	1,858,251	<b>2,242,240</b>	1,858,251
Thailand Central Bank Bonds	<b>59,897</b>	62,491	<b>59,897</b>	62,491
Singapore Housing Development Board	<b>692,202</b>	677,603	<b>692,202</b>	677,603
<b><u>Unquoted securities:</u></b>				
<b><u>In Malaysia</u></b>				
Corporate bond/sukuk	<b>20,458,151</b>	18,990,597	<b>15,931,701</b>	15,115,781
Perpetual notes/sukuk	<b>50,899</b>	102,651	<b>50,899</b>	102,651
Prasarana bonds	<b>2,706,527</b>	2,175,940	<b>2,680,507</b>	2,150,023
<b><u>Outside Malaysia</u></b>				
Corporate bond/sukuk	<b>3,662,439</b>	3,965,174	<b>3,662,439</b>	3,939,594
	<b>40,246,646</b>	39,109,505	<b>33,896,352</b>	33,279,961
<b>(b) Equity instruments</b>				
<b><u>Quoted securities:</u></b>				
<b><u>Outside Malaysia</u></b>				
Shares	<b>1,821</b>	2,418	-	-
<b><u>Unquoted securities:</u></b>				
<b><u>In Malaysia</u></b>				
Shares	<b>753,726</b>	692,963	<b>712,903</b>	654,310
<b><u>Outside Malaysia</u></b>				
Shares	<b>405</b>	418	<b>1</b>	1
	<b>755,952</b>	695,799	<b>712,904</b>	654,311

Included in financial investments at FVOCI of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM736,000,000 (31 December 2019: RM204,000,000) and RM1,351,000,000 (31 December 2019: RM787,000,000) respectively.



**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A16. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI') (continued)**

**(a) Movement in credit impaired financial assets at FVOCI**

	Group and Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Balance as at the beginning of the financial period/year	1,020	5,252
Derecognition	-	(4,224)
Exchange differences	-	(8)
Balance as at the end of the financial period/year	<u>1,020</u>	<u>1,020</u>

**(b) Movement in allowance for credit losses recognised in FVOCI reserves**

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	44,264	-	-	44,264
Transfer to Lifetime ECL not credit impaired (Stage 2)	(20)	20	-	-
Allowance written back during the financial period	143	88	-	231
Purchases and origination	4,319	68	-	4,387
Derecognition and disposal	(7,385)	-	-	(7,385)
Exchange differences	(105)	-	-	(105)
Balance as at the end of the financial period	<u>41,216</u>	<u>176</u>	<u>-</u>	<u>41,392</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	55,977	306	-	56,283
Transfer to 12-month ECL (Stage 1)	306	(306)	-	-
Allowance written back during the financial year	(5,065)	-	-	(5,065)
Purchases and origination	8,125	-	-	8,125
Derecognition and disposal	(15,407)	-	-	(15,407)
Exchange differences	328	-	-	328
Balance as at the end of the financial year	<u>44,264</u>	<u>-</u>	<u>-</u>	<u>44,264</u>



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A16. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI') (continued)**

**(b) Movement in allowance for credit losses recognised in FVOCI reserves (continued)**

<b>Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	41,865	-	-	41,865
Transfer to Lifetime ECL not credit impaired (Stage 2)	(20)	20	-	-
Allowance written back during the financial period	81	88	-	169
Purchases and origination	3,542	68	-	3,610
Derecognition and disposal	(6,323)	-	-	(6,323)
Exchange differences	(105)	-	-	(105)
Balance as at the end of the financial period	<u>39,040</u>	<u>176</u>	<u>-</u>	<u>39,216</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	50,278	-	-	50,278
Allowance written back during the financial year	(2,921)	-	-	(2,921)
Purchases and origination	7,851	-	-	7,851
Derecognition and disposal	(13,671)	-	-	(13,671)
Exchange differences	328	-	-	328
Balance as at the end of the financial year	<u>41,865</u>	<u>-</u>	<u>-</u>	<u>41,865</u>



**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A17. Financial Investments at Amortised Cost**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>At amortised cost</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	426,221	100,698	334,189	100,698
Malaysian Government Investment Issues	2,910,328	3,182,753	2,189,280	2,651,130
Cagamas bonds	228,459	237,412	228,459	237,412
Khazanah bonds	196,626	186,108	39,695	79,180
Wakala Global Sukuk	29,616	29,682	21,159	21,211
Sukuk Perumahan Kerajaan	111,106	111,034	100,987	101,020
Singapore Government Treasury Bills	756,181	272,494	756,181	272,494
Sukuk (Brunei) Incorporation	30,326	30,400	30,326	30,400
<b><u>Unquoted securities:</u></b>				
<b><u>In Malaysia</u></b>				
Corporate bond/sukuk	10,574,398	10,041,472	6,056,480	6,164,844
Corporate loan stocks	25,853	25,853	-	-
Prasarana bonds	371,399	343,732	300,720	272,894
	<b>15,660,513</b>	<b>14,561,638</b>	<b>10,057,476</b>	<b>9,931,283</b>
Allowance for credit losses	(315,276)	(312,229)	(228,677)	(228,481)
	<b>15,345,237</b>	<b>14,249,409</b>	<b>9,828,799</b>	<b>9,702,802</b>

Included in financial investments at amortised cost of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM225,000,000 (31 December 2019: RM1,839,000,000) and RM2,298,000,000 (31 December 2019: RM2,973,000,000) respectively.

**(a) Movement in credit impaired financial investments at amortised cost**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Balance as at the beginning of the financial period/year	140,425	141,405	62,978	63,341
Derecognition	(38)	(897)	(38)	(280)
Exchange differences	129	(83)	129	(83)
Balance as at the end of the financial period/year	<b>140,516</b>	<b>140,425</b>	<b>63,069</b>	<b>62,978</b>



**RHB BANK BERHAD**  
Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A17. Financial investments at amortised cost (continued)**

**(b) Movement in allowance for credit losses**

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	23,081	149,285	139,863	312,229
Allowance written back during the financial period	(409)	(66)	(37)	(512)
Purchases and origination	8,527	129	-	8,656
Derecognition	(5,052)	(189)	-	(5,241)
Exchange differences	16	-	128	144
Balance as at the end of the financial period	<u>26,163</u>	<u>149,159</u>	<u>139,954</u>	<u>315,276</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	23,820	176,683	140,844	341,347
Allowance written back during the financial year	(2,429)	(26,873)	(280)	(29,582)
Purchases and origination	7,211	-	-	7,211
Derecognition	(5,518)	(525)	(617)	(6,660)
Exchange differences	(3)	-	(84)	(87)
Balance as at the end of the financial year	<u>23,081</u>	<u>149,285</u>	<u>139,863</u>	<u>312,229</u>
<b>Bank</b>				
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	16,970	149,096	62,415	228,481
Allowance written back during the financial period	(269)	(66)	(37)	(372)
Purchases and origination	1,869	-	-	1,869
Derecognition	(1,429)	-	-	(1,429)
Exchange differences	-	-	128	128
Balance as at the end of the financial period	<u>17,141</u>	<u>149,030</u>	<u>62,506</u>	<u>228,677</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	19,017	174,430	62,779	256,226
Allowance written back during the financial year	(757)	(25,334)	(280)	(26,371)
Purchases and origination	3,249	-	-	3,249
Derecognition	(4,539)	-	-	(4,539)
Exchange differences	-	-	(84)	(84)
Balance as at the end of the financial year	<u>16,970</u>	<u>149,096</u>	<u>62,415</u>	<u>228,481</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing**

**(a) By type**

	Group		Bank	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Overdrafts	6,059,391	6,837,516	4,936,294	5,639,721
Term loans/financing				
- Housing loans/financing	64,527,906	61,144,001	43,747,059	42,455,732
- Syndicated term loans/financing	7,364,286	7,016,496	3,984,694	3,466,440
- Hire purchase receivables/financing	9,404,589	9,108,539	1,131,861	1,385,512
- Lease receivables	168	193	-	-
- Other term loans/financing	71,543,471	67,530,547	41,033,956	40,939,402
Bills receivables	5,670,327	3,961,067	4,462,302	3,049,995
Trust receipts	550,718	686,290	482,873	657,190
Claims on customers under acceptance credits	1,972,040	3,452,118	1,972,040	3,452,118
Staff loans/financing	110,687	112,373	100,386	105,342
Credit/charge card receivables	1,999,869	2,225,932	1,730,685	1,932,411
Revolving credits/financing	13,217,535	14,099,776	6,712,340	6,564,356
Gross loans, advances and financing	182,420,987	176,174,848	110,294,490	109,648,219
Fair value changes arising from fair value hedges	129,091	41,906	9,278	3,342
	182,550,078	176,216,754	110,303,768	109,651,561
Less: Allowance for credit losses	(3,346,695)	(2,980,082)	(2,477,802)	(2,305,896)
Net loans, advances and financing	179,203,383	173,236,672	107,825,966	107,345,665

Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM2,161,072,000 (31 December 2019: RM3,312,744,000) and RMNil (31 December 2019: RM1,173,094,000) respectively.

**(b) By type of customer**

	Group		Bank	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions:				
- Others	3,756,012	3,923,700	476,907	831,549
Domestic business enterprises:				
- Small medium enterprises	27,493,722	25,523,338	22,403,802	20,702,527
- Others	27,894,588	29,410,330	14,038,762	14,866,227
Government and statutory bodies	7,530,295	7,005,672	60,488	1,911,967
Individuals	93,679,319	90,163,496	55,518,631	55,525,488
Other domestic entities	145,976	137,795	24,390	15,456
Foreign entities	21,921,075	20,010,517	17,771,510	15,795,005
	182,420,987	176,174,848	110,294,490	109,648,219



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing (continued)**

**(c) By geographical distribution**

	Group		Bank	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	161,416,252	156,943,906	93,906,495	95,203,293
Labuan Offshore	1,844,376	1,978,689	-	-
Singapore	14,931,176	12,828,721	14,931,176	12,614,249
Thailand	1,398,400	1,829,253	1,286,631	1,663,059
Brunei	170,188	167,618	170,188	167,618
Indonesia	95,748	88,690	-	-
Hong Kong	-	27,032	-	-
Cambodia	2,382,543	2,113,095	-	-
Lao	182,304	197,844	-	-
	<b>182,420,987</b>	<b>176,174,848</b>	<b>110,294,490</b>	<b>109,648,219</b>

**(d) By interest/profit rate sensitivity**

	Group		Bank	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	109,606	114,426	89,960	93,249
- Hire purchase receivables/financing	2,812,858	3,631,363	1,131,861	1,385,512
- Other fixed rate loans/financing	21,278,346	20,186,390	8,411,517	9,117,878
Variable rate				
- Base lending/financing rate plus	103,186,751	98,476,244	68,787,364	68,357,932
- Cost-plus	46,534,852	46,127,952	24,793,988	24,521,787
- Other variable rates	8,498,574	7,638,473	7,079,800	6,171,861
	<b>182,420,987</b>	<b>176,174,848</b>	<b>110,294,490</b>	<b>109,648,219</b>





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing (continued)**

**(e) By economic sector**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Agriculture, hunting, forestry and fishing	3,534,043	3,640,554	1,972,670	2,096,069
Mining and quarrying	619,111	655,608	307,054	350,371
Manufacturing	9,348,386	9,492,621	6,870,213	7,075,716
Electricity, gas and water	1,752,316	2,122,290	1,374,702	1,728,133
Construction	12,803,330	12,316,993	7,825,445	7,282,412
Wholesale and retail trade and restaurant and hotel	18,207,375	15,179,612	15,184,874	12,563,300
Transport, storage and communication	6,674,965	7,216,382	1,964,713	2,066,500
Finance, insurance, real estate and business services	20,213,798	19,982,481	13,733,901	13,316,611
Government and government agencies	4,514,653	5,495,679	60,488	1,911,967
Education, health and others	5,229,853	4,653,993	1,874,483	1,931,026
Household sector	98,489,656	94,386,378	58,781,432	58,856,599
Others	1,033,501	1,032,257	344,515	469,515
	<b>182,420,987</b>	<b>176,174,848</b>	<b>110,294,490</b>	<b>109,648,219</b>

**(f) By purpose**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Purchase of securities	10,964,400	11,305,453	4,338,593	5,072,680
Purchase of transport vehicles	9,008,732	8,702,883	712,917	947,556
Purchase of landed property:				
- Residential	62,731,212	59,458,474	43,051,398	41,770,722
- Non-residential	19,418,522	18,786,302	13,921,997	13,772,009
Purchase of property, plant and equipment other than land and building	2,809,273	2,645,065	2,143,220	1,962,043
Personal use	10,505,664	10,420,875	5,987,339	6,146,621
Credit card	1,999,869	2,225,932	1,730,685	1,932,411
Purchase of consumer durables	12,615	14,585	12,615	14,585
Construction	7,868,162	7,551,967	6,064,902	5,558,253
Working capital	42,404,666	37,465,094	25,010,317	23,752,175
Merger and acquisition	1,881,058	2,423,564	570,034	1,022,647
Other purposes	12,816,814	15,174,654	6,750,473	7,696,517
	<b>182,420,987</b>	<b>176,174,848</b>	<b>110,294,490</b>	<b>109,648,219</b>



**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing (continued)**

**(g) By remaining contractual maturities**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Maturity within one year	41,010,673	45,435,134	31,213,314	33,846,039
One year to three years	7,833,080	7,541,535	4,154,790	4,286,651
Three years to five years	12,841,768	14,742,896	5,386,878	5,581,448
Over five years	120,735,466	108,455,283	69,539,508	65,934,081
	<b>182,420,987</b>	<b>176,174,848</b>	<b>110,294,490</b>	<b>109,648,219</b>

**(h) Impaired loans, advances and financing**

**(i) Movement in impaired loans, advances  
 and financing**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Balance as at the beginning of the financial period/year	3,479,175	3,483,554	2,623,781	2,555,206
Transfer to 12-month ECL (Stage 1)	(122,585)	(140,946)	(93,726)	(107,565)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(171,558)	(204,057)	(130,768)	(132,860)
Transfer to Lifetime ECL credit impaired (Stage 3)	377,092	1,161,633	275,813	920,681
Purchases and origination	276,462	706,283	133,502	605,266
Derecognition	(376,276)	(668,725)	(224,637)	(516,048)
Amount written off	(369,258)	(857,988)	(312,118)	(704,846)
Disposal of a subsidiary	(1,874)	-	-	-
Exchange differences	(154)	(579)	(3,626)	3,947
Balance as at the end of the financial period/year	<b>3,091,024</b>	<b>3,479,175</b>	<b>2,268,221</b>	<b>2,623,781</b>



**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing (continued)**

**(h) Impaired loans, advances and financing (continued)**

**(ii) By economic sector**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Agriculture, hunting, forestry and fishing	59,687	60,515	41,150	39,635
Mining and quarrying	202,287	205,586	4,512	4,778
Manufacturing	483,050	505,152	364,127	392,742
Electricity, gas and water	267,563	288,619	263,058	267,404
Construction	292,683	272,855	245,021	222,660
Wholesale and retail trade and restaurant and hotel	318,006	311,918	209,766	241,942
Transport, storage and communication	345,402	422,749	332,099	408,896
Finance, insurance, real estate and business services	254,351	222,659	220,469	195,084
Education, health and others	31,918	32,962	22,038	23,000
Household sector	798,953	1,124,457	562,249	821,157
Others	37,124	31,703	3,732	6,483
	<b>3,091,024</b>	<b>3,479,175</b>	<b>2,268,221</b>	<b>2,623,781</b>

**(iii) By purpose**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Purchase of securities	35,234	49,214	25,882	25,534
Purchase of transport vehicles	47,563	75,345	12,656	22,676
Purchase of landed property:				
- Residential	582,337	775,570	404,029	560,655
- Non-residential	363,160	350,674	255,715	273,914
Purchase of property, plant and equipment other than land and building	56,345	86,651	51,087	78,999
Personal use	91,348	178,882	87,689	168,579
Credit card	23,140	29,456	20,505	25,852
Purchase of consumer durables	552	853	552	853
Construction	107,276	119,083	79,607	92,915
Working capital	1,628,584	1,691,412	1,236,811	1,301,656
Other purposes	155,485	122,035	93,688	72,148
	<b>3,091,024</b>	<b>3,479,175</b>	<b>2,268,221</b>	<b>2,623,781</b>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

A18. Loans, Advances and Financing (continued)

(h) Impaired loans, advances and financing (continued)

(iv) By geographical distribution

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Malaysia	1,797,393	2,206,536	1,415,468	1,740,174
Labuan Offshore	273,651	266,821	-	-
Singapore	798,850	865,907	798,850	852,015
Thailand	56,217	34,476	47,316	25,152
Brunei	6,587	6,440	6,587	6,440
Cambodia	135,049	81,881	-	-
Hong Kong	-	97	-	-
Lao	23,277	17,017	-	-
	<b>3,091,024</b>	<b>3,479,175</b>	<b>2,268,221</b>	<b>2,623,781</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing (continued)**

**(h) Impaired loans, advances and financing (continued)**

**(v) Movement in allowance for credit losses**

Group	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
	(Stage 1)	impaired	impaired	
	RM'000	RM'000	RM'000	RM'000
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	567,095	864,051	1,548,936	2,980,082
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	185,457	(151,868)	(33,589)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(31,993)	72,316	(40,323)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(1,181)	(29,022)	30,203	-
	152,283	(108,574)	(43,709)	-
Allowance made during the financial period	329,410	173,237	271,852	774,499
Bad debts written off	-	-	(257,391)	(257,391)
Derecognition	(29,401)	(38,110)	(80,347)	(147,858)
Disposal of a subsidiary	-	-	(1,768)	(1,768)
Exchange differences	39	(338)	(570)	(869)
Balance as at the end of the financial period	<u>1,019,426</u>	<u>890,266</u>	<u>1,437,003</u>	<u>3,346,695</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	591,911	994,604	1,665,078	3,251,593
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	182,069	(141,866)	(40,203)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(35,256)	87,303	(52,047)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(11,211)	(49,845)	61,056	-
	135,602	(104,408)	(31,194)	-
Allowance made/(written back) during the financial year	(71,778)	219,210	740,370	887,802
Bad debts written off	-	-	(672,336)	(672,336)
Changes to model methodologies	(15,311)	(24,356)	(2)	(39,669)
Derecognition	(73,990)	(220,406)	(152,777)	(447,173)
Exchange differences	661	(593)	(203)	(135)
Balance as at the end of the financial year	<u>567,095</u>	<u>864,051</u>	<u>1,548,936</u>	<u>2,980,082</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A18. Loans, Advances and Financing (continued)**

**(h) Impaired loans, advances and financing (continued)**

**(v) Movement in allowance for credit losses (continued)**

<b>Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	324,042	802,764	1,179,090	2,305,896
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	149,075	(122,787)	(26,288)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(24,183)	52,364	(28,181)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(1,047)	(25,765)	26,812	-
	<u>123,845</u>	<u>(96,188)</u>	<u>(27,657)</u>	-
Allowance made during the financial period	198,702	112,899	192,722	504,323
Bad debts written off	-	-	(214,255)	(214,255)
Derecognition	(20,422)	(34,269)	(60,743)	(115,434)
Exchange differences	(374)	(236)	(2,118)	(2,728)
Balance as at the end of the financial period	<u>625,793</u>	<u>784,970</u>	<u>1,067,039</u>	<u>2,477,802</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	489,408	774,591	1,193,133	2,457,132
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	148,061	(114,425)	(33,636)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(29,318)	68,519	(39,201)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(10,688)	(45,922)	56,610	-
	<u>108,055</u>	<u>(91,828)</u>	<u>(16,227)</u>	-
Allowance made/(written back) during the financial year	(205,027)	247,662	667,330	709,965
Bad debts written off	-	-	(545,426)	(545,426)
Changes to model methodologies	(12,683)	(20,252)	(2)	(32,937)
Derecognition	(56,477)	(107,903)	(121,743)	(286,123)
Exchange differences	766	494	2,025	3,285
Balance as at the end of the financial year	<u>324,042</u>	<u>802,764</u>	<u>1,179,090</u>	<u>2,305,896</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

A19. Other Assets

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	Restated As at 31 December 2019 RM'000
Other receivables	1,608,723	929,870	606,003	384,274
Cash collateral in relation to derivative transactions	525,342	162,603	525,342	162,603
Deposits	45,161	63,768	31,139	31,892
Prepayments	106,535	101,938	58,777	58,374
Amounts due from subsidiaries	-	-	64,126	467,698
	<u>2,285,761</u>	<u>1,258,179</u>	<u>1,285,387</u>	<u>1,104,841</u>



**RHB BANK BERHAD**  
Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A20. Deposits from Customers**

**(a) By type of deposits**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Demand deposits	48,714,724	38,376,019	39,648,807	31,538,822
Savings deposits	12,865,481	10,554,978	10,575,236	8,739,694
Fixed/investment deposits	134,438,763	140,705,781	79,815,925	90,374,161
Negotiable instruments of deposits	754,076	918,447	754,076	918,447
	<b>196,773,044</b>	<b>190,555,225</b>	<b>130,794,044</b>	<b>131,571,124</b>

**(b) By type of customer**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Government and statutory bodies	19,653,190	13,905,730	6,076,508	3,711,730
Business enterprises	99,433,714	107,669,851	69,621,084	79,328,733
Individuals	71,004,006	62,773,983	49,000,418	42,718,943
Others	6,682,134	6,205,661	6,096,034	5,811,718
	<b>196,773,044</b>	<b>190,555,225</b>	<b>130,794,044</b>	<b>131,571,124</b>

**(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Due within six months	100,068,616	95,216,919	61,581,312	62,411,341
Six months to one year	33,244,305	41,871,670	18,730,027	25,827,669
One year to three years	1,447,463	3,935,590	238,780	2,936,737
Three years to five years	432,455	600,049	19,882	116,861
	<b>135,192,839</b>	<b>141,624,228</b>	<b>80,570,001</b>	<b>91,292,608</b>





**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A21. Deposits and Placements of Banks and Other Financial Institutions**

	Note	Group		Bank	
		As at	As at	As at	As at
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Licensed banks		16,624,283	19,492,073	19,372,515	18,640,809
Licensed Islamic banks		808,695	996,510	2,646	2,739
Licensed investment banks		1,400,028	500,155	1,540,070	76,175
BNM/Other central banks	(i)	1,665,330	511,165	1,573,758	451,805
Other financial institutions		302,254	39,426	2,177	2,304
		<b>20,800,590</b>	<b>21,539,329</b>	<b>22,491,166</b>	<b>19,173,832</b>

(i) Included in deposits and placements by BNM/other central banks are amounts received under the Government scheme as part of the COVID-19 relief measures, for the purpose of lending/financing to SMEs at a concessionary rate and with maturity ranging between two to six years.

**A22. Other Liabilities**

	Group		Bank	
	As at	As at	As at	Restated
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Other creditors and accruals	1,762,337	1,879,774	882,806	1,004,830
Amount payable for redemption units	578,487	312,101	-	-
Contract liabilities	249,017	47,498	89,250	22,710
Short term employee benefits	294,917	416,781	227,110	324,812
Accrual for operational expenses	202,049	217,227	153,778	173,804
Prepaid instalments	32,025	36,220	32,025	36,220
Cash collateral pledged for derivative transactions	202,443	194,010	202,443	194,010
Remisiers' trust deposits	85,835	64,861	-	-
Amount due to trust funds	75,572	42,007	-	-
Amounts due to subsidiaries	-	-	236,397	88,589
	<b>3,482,682</b>	<b>3,210,479</b>	<b>1,823,809</b>	<b>1,844,975</b>



**RHB BANK BERHAD**

**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A23. Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined its Management Committee as its chief operating decision-maker.

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Group Retail Banking

Group Retail Banking focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgages, non-residential mortgages, hire purchase, purchase of securities, credit cards and other personal loans and financing), remittances, deposits collection, investment related products, and bancassurance/bancatakaful products.

This segment also covers the asset management business that focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.

(b) Group Business Banking

Group Business Banking caters for funding needs as well as deposit collection from small and medium sized enterprises and wholesale clients.

(c) Group Wholesale Banking

(i) Group Corporate Banking and Group Investment Banking

Group Corporate Banking caters to funding or lending needs of corporate customers including public listed corporations and its related entities, multinational corporations (including Japanese), financial institutions and Government and state owned enterprises. Included under Group Corporate Banking are offshore banking activities carried out by RHB Bank (L) Ltd whose borrowings and lending facilities are offered in major currencies mainly to corporate customers.

Group Investment Banking provides services for advisory, fund raising in the structuring and issuance of debt securities and capital market instruments, corporate and debt restructuring, mergers and acquisitions, private placements, underwriting and structuring of bilateral lending, project financing, loans syndication, infrastructure financing, initial public offerings of equity related instruments, private placements and underwriting. This segment also covers facilities for equity share trading in local and foreign markets, share margin financing, futures broking products and services and custodian and nominee services.

As disclosed in Note B10, the Group has during the current financial period:

- Ceased its stockbroking business in Singapore pursuant to the disposal of RHB Securities Singapore; and
- The capital market business in Singapore has been transferred to the Bank (Singapore Branch) and is now grouped under 'Group International Business'.

This segment also offers stockbroking and investment banking products and services to the Group's regional customers in Hong Kong, Indonesia, Thailand and Vietnam.

(ii) Group Treasury and Global Markets

Group Treasury and Global Markets operations are involved in proprietary and non-proprietary trading in fixed income securities and foreign exchange, derivatives trading and structuring, managing customer-based foreign exchange and money market transactions, funding and investments in ringgit and foreign currencies for the Group, as well as funding center.



**RHB BANK BERHAD**

**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A23. Segmental Reporting (continued)**

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure (continued):

(d) Group International Business

Group International Business primarily focuses on providing commercial and investment banking related products and services tailored to the specific needs of the customers in foreign countries in which the Group has operations. The Group currently has foreign presences in Singapore, Thailand, Brunei, Cambodia and Lao.

(e) Support Center and Others

Support Center and Others comprise results from other business segments in the Group (general insurance business, nominee services, property investment and rental of premises and other related financial services). The results of these other businesses are not material to the Group and therefore do not render a separate disclosure and are reported in aggregate in the financial statements.

The business segment results are prepared based on the Group's internal management reporting, which reflects the organisation's management reporting structure. Internal allocation of costs, for example, back office support, centralised cost, funding center and the application of transfer pricing, where appropriate, has been used in preparing the segmental reporting.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A23. Segmental Reporting (continued)**

Nine months ended 30 September 2020

	Continuing Operations							Discontinued Operations	Total	
	Group Retail Banking	Group Business Banking	Group CBIB	Group Treasury and Global Markets	Group International Business	Support Center and Others	Inter-Segment Elimination			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
External revenue	1,987,322	842,165	1,079,473	1,071,879	444,685	(307,829)	-	5,117,695	95,207	5,212,902
Inter-segment revenue	17,018	-	28,784	(3,548)	690	(4,727)	(38,217)	-	-	-
Segment revenue	2,004,340	842,165	1,108,257	1,068,331	445,375	(312,556)	(38,217)	5,117,695	95,207	5,212,902
Other operating expenses	(1,005,749)	(464,685)	(471,897)	(121,460)	(309,368)	(162,396)	38,217	(2,497,338)	(61,140)	(2,558,478)
Including:										
- Depreciation of property, plant and equipment	(42,836)	(13,531)	(11,705)	(2,542)	(10,150)	(1,769)	-	(82,533)	(978)	(83,511)
- Depreciation of right of use assets	(15,042)	(11,109)	(11,931)	(418)	(12,937)	(1,870)	-	(53,307)	(3,801)	(57,108)
- Amortisation of intangible assets	(37,683)	(23,096)	(11,627)	(3,227)	(8,587)	(2,513)	-	(86,733)	(2,249)	(88,982)
Allowance for credit losses on financial assets	(244,183)	(114,152)	(116,987)	2,464	(71,477)	3,674	-	(540,661)	(937)	(541,598)
Impairment losses made on other non-financial assets	-	-	(9,500)	-	-	-	-	(9,500)	-	(9,500)
Segment profit/(loss)	754,408	263,328	509,873	949,335	64,530	(471,278)	-	2,070,196	33,130	2,103,326
Share of results of joint venture								-	-	-
Profit before taxation and zakat								2,070,196	33,130	2,103,326
Taxation and zakat								(505,046)	1,531	(503,515)
Net profit for the financial period								1,565,150	34,661	1,599,811



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A23. Segmental Reporting (continued)**

As at 30 September 2020

	←— GWB —→						
	Group Retail Banking	Group Business Banking	Group CBIB	Group Treasury and Global Markets	Group International Business	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	94,286,738	27,880,682	46,722,504	57,387,465	32,115,248	3,324,309	261,716,946
Investments in associates and joint venture							12
Tax recoverable							323,278
Deferred tax assets							23,343
Unallocated assets							974,631
Total assets							<u>263,038,210</u>
Segment liabilities	65,337,676	34,344,799	61,387,535	37,370,915	26,832,874	1,242,873	226,516,672
Provision for taxation and zakat							62,293
Deferred tax liabilities							318,240
Borrowings							1,117,323
Senior debt securities							3,352,116
Subordinated obligations							2,223,173
Unallocated liabilities							2,120,176
Total liabilities							<u>235,709,993</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A23. Segmental Reporting (continued)**

Nine months ended 30 September 2019

	Continuing Operations							Total RM'000	Discontinued Operations RM'000	Total RM'000
	Group Retail Banking RM'000	Group Business Banking RM'000	Group CBIB RM'000	Group Treasury and Global Markets RM'000	Group International Business RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000			
External revenue	1,990,082	826,648	960,432	1,094,754	423,772	(71,547)	-	5,224,141	35,990	5,260,131
Inter-segment revenue	15,953	-	15,200	(18,075)	5,697	24,650	(43,425)	-	-	-
Segment revenue	2,006,035	826,648	975,632	1,076,679	429,469	(46,897)	(43,425)	5,224,141	35,990	5,260,131
Other operating expenses	(999,390)	(468,154)	(476,885)	(117,483)	(330,249)	(138,606)	43,425	(2,487,342)	(63,455)	(2,550,797)
Including:										
- Depreciation of property, plant and equipment	(43,138)	(14,643)	(15,389)	(2,338)	(14,457)	(2,186)	-	(92,151)	(1,698)	(93,849)
- Depreciation of right of use assets	(14,441)	(10,491)	(12,319)	(184)	(11,781)	(2,033)	-	(51,249)	(4,255)	(55,504)
- Amortisation of intangible assets	(35,968)	(22,726)	(12,575)	(2,799)	(9,915)	(2,754)	-	(86,737)	(2,800)	(89,537)
Allowance for credit losses on financial assets	(237,256)	(796)	18,059	16,727	(3,230)	(1,548)	-	(208,044)	(2,610)	(210,654)
Segment profit/(loss)	769,389	357,698	516,806	975,923	95,990	(187,051)	-	2,528,755	(30,075)	2,498,680
Share of results of joint venture								(30)	-	(30)
Profit before taxation and zakat								2,528,725	(30,075)	2,498,650
Taxation and zakat								(633,154)	(464)	(633,618)
Net profit for the financial period								1,895,571	(30,539)	1,865,032



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A23. Segmental Reporting (continued)**

As at 31 December 2019

	Continuing Operations						Total RM'000	Discontinued Operations RM'000	Total RM'000
	← GWB →								
	Group Retail Banking RM'000	Group Business Banking RM'000	Group CBIB RM'000	Group Treasury and Global Markets RM'000	Group International Business RM'000	Support Center and Others RM'000			
Segment assets	91,471,562	25,929,113	50,457,420	56,697,032	28,517,801	2,581,607	255,654,535	387,968	256,042,503
Investments in associates and joint venture							9,512	-	9,512
Tax recoverable							467,103	-	467,103
Deferred tax assets							22,989	-	22,989
Unallocated assets							1,050,389	-	1,050,389
Total assets							<u>257,204,528</u>	<u>387,968</u>	<u>257,592,496</u>
Segment liabilities	58,428,690	28,550,756	54,912,928	57,408,420	22,115,796	2,612,349	224,028,939	93,199	224,122,138
Provision for taxation and zakat							60,158	14	60,172
Deferred tax liabilities							169,763	-	169,763
Borrowings							1,106,454	76,073	1,182,527
Senior debt securities							3,296,763	-	3,296,763
Subordinated obligations							2,724,224	-	2,724,224
Unallocated liabilities							226,100	-	226,100
Total liabilities							<u>231,612,401</u>	<u>169,286</u>	<u>231,781,687</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A24. Valuation of Property, Plant and Equipment**

The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

**A25. Events Subsequent to Balance Sheet Date**

There were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements, other than as disclosed below:

- (a) The Bank had on 20 October 2020 issued Senior Sukuk of RM300 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) ('Senior Sukuk Murabahah') under the Multi-Currency Islamic Medium Term Notes Programme of up to RM10 billion (or its equivalent in other currencies) in nominal value. The Senior Sukuk Murabahah is issued for a tenure of 5 years with a fixed coupon rate of 2.85% per annum, payable semi-annually in arrears.

Proceeds raised from the Senior Sukuk Murabahah will be utilised for the working capital of the Bank's subsidiary in Islamic business activities.

- (b) The Bank had on 20 November 2020 issued Subordinated Notes of RM500 million in nominal value under a RM5 billion (or its equivalent in other currencies) multi-currency medium term note programme ('Subordinated Notes'). The Subordinated Notes is issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 3.13% per annum, payable semi-annually in arrears throughout the entire tenure.

Proceeds raised from the Subordinated Notes will be utilised for the Bank's general working capital and other corporate purposes.

**A26. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the nine months ended 30 September 2020 other than the following:

- (a) Subscription of 10 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH')

RHB Investment Bank had on 28 January 2020, subscribed for 10 million RPS of RM2.00 each in RHBPEH amounting to RM20,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by RHB Investment Bank in RHBPEH remains the same.

- (b) Subscription of HKD150,000,000 new ordinary shares in RHB Hong Kong Limited ('RHB Hong Kong')

RHB Investment Bank had on 14 February 2020, subscribed for 150 million new ordinary shares in RHB Hong Kong amounting to HKD150,000,000. The issued and paid-up share capital of RHB Hong Kong increased from HKD300,000,000 to HKD450,000,000. The rationale for the increase is to ensure that RHB Hong Kong Group are solvent for the purposes of the Proposed Cessation and winding up as disclosed in Note B6(a).

- (c) Application for dissolution of RHB (China) Investment Advisory Co. Ltd ('RHBCIA')

RHBCIA, an indirect wholly-owned subsidiary of the Bank, had on 31 March 2020, commenced the application for dissolution pursuant to Article 180(ii) of the Company Law of the People's Republic of China. An application for dissolution will be submitted to Shanghai Tax Bureau, Shanghai Municipal Commission of Commerce and Shanghai Municipal Administration of Industry and Commerce accordingly.

RHBCIA had on 17 June 2020, received a final notice of deregistration as a legal entity from Shanghai Municipal Administration of Industry and Commerce.





**RHB BANK BERHAD**

**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A26. Changes in the Composition of the Group (continued)**

There were no significant changes in the composition of the Group for the nine months ended 30 September 2020 other than the following (continued):

(d) Additional capital injection into RHB Bank Lao Limited ('RHB Bank Lao')

The Bank has on 9 April 2020 injected additional capital of LAK79.4 billion (equivalent to RM39.4 million) into its wholly owned subsidiary, RHB Bank Lao. As a result, the issued share capital of RHB Bank Lao increased from LAK301.5 billion to LAK380.9 billion.

(e) Commencement of voluntary liquidation and dissolution of RHB (Philippines) Inc. ('RHB Philippines')

RHB Philippines, a wholly-owned subsidiary of RHB Capital (Jersey) Limited, which in turn is a wholly-owned subsidiary of the Bank had, on 25 June 2020, commenced the application for the amendment of the Articles of Incorporation with the Philippines Securities and Exchange Commission ('SEC') pursuant to the Corporation Code of the Philippines.

(f) Voluntary winding-up of subsidiaries

The following direct and indirect wholly-owned subsidiaries of the Bank have commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016:

- (i) RHB Equities Sdn Bhd and RHBF Sdn Bhd on 3 August 2020; and
- (ii) RHB Research Institute Sdn Bhd on 30 September 2020.

(g) Application for member's voluntary winding up of RHB Finance Hong Kong Limited ('RHBFINHK')

RHBFINHK, an indirect wholly-owned subsidiary of the Bank had on 21 August 2020, commenced the application for member's voluntary winding up pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong.

(h) RHB Securities Singapore Pte Ltd ('RHB Securities Singapore') ceased to be subsidiary of RHB Investment Bank with effect from 11 September 2020 following the completion of disposal as further disclosed in Note B10.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

A27. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position

(a) Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incurs certain contingent liabilities with legal recourse to its customers. Apart from the allowance for commitments and contingencies already made in the interim financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Direct credit substitutes	1,252,411	1,386,004	1,250,930	1,381,759
Transaction-related contingent items	3,946,576	4,258,393	3,558,802	3,984,356
Short term self-liquidating trade-related contingencies	938,033	1,311,586	891,062	1,240,297
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions, and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	3,746,215	4,119,202	4,123,249	4,119,202
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	50,327	-	44,827	-
Irrevocable commitments to extend credit				
- Maturity less than one year	1,605,863	1,861,774	569,687	670,237
- Maturity more than one year	30,275,627	27,701,607	19,908,870	19,424,618
Foreign exchange related contracts <sup>^</sup>				
- Less than one year	58,912,062	54,600,403	59,861,649	56,549,934
- One year to less than five years	2,972,771	2,719,057	3,076,650	2,821,309
- More than five years	1,068,233	1,112,190	1,068,233	1,112,190
Commodity related contracts <sup>^</sup>				
- Less than one year	260,756	266,117	260,756	266,117
- One year to less than five years	-	24,192	-	24,192
Equity related contracts <sup>^</sup>				
- Less than one year	362,868	-	364,310	-
Interest rate related contracts <sup>^</sup>				
- Less than one year	8,606,989	6,407,422	11,027,763	8,267,422
- One year to less than five years	20,740,207	19,713,844	22,219,432	20,713,844
- More than five years	9,607,901	8,642,163	11,707,901	9,142,163
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	17,821,573	16,303,840	14,890,041	13,728,325
	<b>162,168,412</b>	<b>150,427,794</b>	<b>154,824,162</b>	<b>143,445,965</b>

<sup>^</sup> These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A27. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position (continued)**

**(b) Guarantees Issued by the Group and the Bank**

	<b>Group</b>	
	<b>As at 30 September 2020</b>	<b>As at 31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee issued in favour of Monetary Authority of Singapore in relation to undertaking of subsidiaries	-	152,009
Corporate guarantee issued in favour of the Stock Exchange of Thailand in relation to a derivative warrant programme of a subsidiary	<b>62</b>	458
	<b>62</b>	<b>152,467</b>

The Group and the Bank has given a continuing guarantee to Labuan Offshore Financial Services Authority to meet the liabilities and financial obligations and requirements of its subsidiary, RHB Bank (L) Ltd, arising from its offshore banking business in the Federal Territory of Labuan.

The Group and the Bank has also given a guarantee to the Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its operations in Thailand.

**A28. Capital Commitments**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 September 2020</b>	<b>As at 31 December 2019</b>	<b>As at 30 September 2020</b>	<b>As at 31 December 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Authorised and contracted for:				
- Property, plant and equipment	<b>195,820</b>	209,078	<b>171,423</b>	185,483
- Investment securities	<b>13,706</b>	5,796	-	-
	<b>209,526</b>	<b>214,874</b>	<b>171,423</b>	<b>185,483</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A29. Capital Adequacy Ratio**

BNM Guidelines on capital adequacy requires the Group, the Bank and the banking subsidiaries to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

RHB Bank (Cambodia) Plc ('RHB Bank Cambodia') is subject to National Bank of Cambodia's capital adequacy requirements.

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank <sup>@</sup>	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>Common Equity Tier I ('CET I')/Tier I Capital</b>				
Share capital	6,994,103	6,994,103	6,994,103	6,994,103
Retained profits	16,436,809	15,614,585	13,209,218	12,606,320
Other reserves	639,022	727,132	496,342	490,905
FVOCI reserves	2,041,195	1,283,816	1,722,238	1,123,748
	<b>26,111,129</b>	24,619,636	<b>22,421,901</b>	21,215,076
<b>Less:</b>				
Goodwill	(2,638,198)	(2,638,198)	(1,714,914)	(1,651,542)
Intangible assets (include associated deferred tax liabilities)	(511,440)	(535,880)	(466,413)	(478,305)
Deferred tax assets	(273,346)	(175,214)	(199,069)	(141,690)
55% of cumulative gains arising from change in value of FVOCI instruments	(1,122,657)	(706,099)	(947,231)	(618,061)
Investments in subsidiaries	(102,425)	(102,425)	(4,701,080)	(4,713,568)
Investments in associates and joint venture	(12)	(9,512)	-	-
Other deductions <sup>#</sup>	(17,525)	(16,144)	(21,288)	(14,189)
Total CET I Capital	<b>21,445,526</b>	20,436,164	<b>14,371,906</b>	13,597,721
Qualifying non-controlling interests recognised as Tier I Capital	<b>181</b>	220	-	-
Total Tier I Capital	<b>21,445,707</b>	20,436,384	<b>14,371,906</b>	13,597,721
<b>Tier II Capital</b>				
Subordinated obligations subject to gradual phase out treatment*	-	300,000	-	300,000
Subordinated obligations meeting all relevant criteria	<b>1,249,482</b>	1,249,527	<b>1,249,482</b>	1,249,527
Qualifying capital instruments of a subsidiary issued to third parties <sup>+</sup>	<b>465,088</b>	490,764	-	-
Surplus eligible provisions over expected losses	<b>523,338</b>	478,626	<b>393,571</b>	363,909
General provisions <sup>^</sup>	<b>149,076</b>	293,276	<b>107,490</b>	183,354
Investment in capital instrument of financial and insurance/takaful entities	-	-	-	(134,187)
Total Tier II Capital	<b>2,386,984</b>	2,812,193	<b>1,750,543</b>	1,962,603
<b>Total Capital</b>	<b>23,832,691</b>	23,248,577	<b>16,122,449</b>	15,560,324



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A29. Capital Adequacy Ratio (continued)**

	Group		Bank <sup>@</sup>	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	<b>16.418%</b>	16.883%	<b>15.109%</b>	15.145%
Tier I Capital Ratio	<b>16.418%</b>	16.884%	<b>15.109%</b>	15.145%
Total Capital Ratio	<b>18.245%</b>	19.207%	<b>16.950%</b>	17.331%
After proposed dividends:				
CET I Capital Ratio	<b>16.418%</b>	16.271%	<b>15.109%</b>	14.319%
Tier I Capital Ratio	<b>16.418%</b>	16.271%	<b>15.109%</b>	14.319%
Total Capital Ratio	<b>18.245%</b>	18.594%	<b>16.950%</b>	16.505%

<sup>@</sup> The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

<sup>#</sup> Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II - RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.

<sup>\*</sup> Subordinated obligations that are recognised as Tier II capital instruments are subject to gradual phase out treatment effective from 1 January 2013 as prescribed under paragraph 37.7 of the BNM's Guideline on Capital Adequacy Framework (Capital Components).

<sup>+</sup> Qualifying subordinated sukuk that are recognised as Tier II capital instruments held by third parties as prescribed under paragraph 17.6 of the BNM's Guideline on Capital Adequacy Framework (Capital Components) which are issued by a fully consolidated subsidiary of the Bank.

<sup>^</sup> Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of the Group and the Bank of RM49,289,000 (31 December 2019: RM202,449,000) and RM30,131,000 (31 December 2019: RM101,096,000) respectively.



**RHB BANK BERHAD**  
Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A29. Capital Adequacy Ratio (continued)**

(b) The capital adequacy ratios of RHB Islamic Bank and RHB Investment Bank are as follows:

	RHB Islamic Bank		RHB Investment Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>CET I/Tier I Capital</b>				
Share capital	1,673,424	1,673,424	1,487,773	1,487,773
Retained profits	2,615,855	2,530,491	446,504	567,193
FVOCI reserves	267,402	117,635	48,886	39,360
	<b>4,556,681</b>	4,321,550	<b>1,983,163</b>	2,094,326
<b>Less:</b>				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(724,444)	(1,098,725)
Intangible assets (include associated deferred tax liabilities)	(2,627)	(3,295)	(24,451)	(25,905)
Deferred tax assets	(53,130)	(12,068)	(13,620)	(10,106)
55% of cumulative gains arising from change in value of FVOCI instruments	(147,072)	(64,699)	(26,888)	(21,648)
Other deductions <sup>#</sup>	(1,062)	(1,955)	-	-
Total CET I Capital/Tier I Capital	<b>4,352,790</b>	4,239,533	<b>821,365</b>	565,547
<b>Tier II Capital</b>				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	200,000	400,000
Surplus eligible provisions over expected losses	129,881	114,957	-	-
General provisions <sup>^</sup>	61,685	53,940	9,445	9,932
Total Tier II Capital	<b>941,566</b>	918,897	<b>209,445</b>	409,932
<b>Total Capital</b>	<b>5,294,356</b>	5,158,430	<b>1,030,810</b>	975,479
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	14.903%	13.922%	42.605%	33.144%
Tier I Capital Ratio	14.903%	13.922%	42.605%	33.144%
Total Capital Ratio	18.127%	16.939%	53.469%	57.169%
After proposed dividends:				
CET I Capital Ratio	14.903%	13.627%	33.372%	24.764%
Tier I Capital Ratio	14.903%	13.627%	33.372%	24.764%
Total Capital Ratio	18.127%	16.644%	44.236%	48.788%



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A29. Capital Adequacy Ratio (continued)**

- # Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II - RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.
- ^ Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of RHB Islamic Bank and RHB Investment Bank of RM49,539,000 (31 December 2019: RM44,447,000) and RM9,411,000 (31 December 2019: RM9,917,000) respectively.

(c) The breakdown of risk-weighted assets in the various categories of risk-weights are as follows;

	<b>Group</b>	<b>Bank<sup>@</sup></b>	<b>RHB Islamic Bank</b>	<b>RHB Investment Bank</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2020</b>				
Credit risk	114,463,998	83,204,074	26,581,712	755,630
Market risk	3,715,304	3,260,546	131,765	359,062
Operational risk	12,445,270	8,654,584	2,096,357	813,181
Additional risk-weighted assets due to capital floor	-	-	397,478	-
Total risk-weighted assets	<u>130,624,572</u>	<u>95,119,204</u>	<u>29,207,312</u>	<u>1,927,873</u>
<b>31 December 2019</b>				
Credit risk	105,139,766	77,851,675	23,474,740	794,533
Market risk	3,844,722	3,394,037	293,518	127,778
Operational risk	12,058,426	8,535,951	1,937,774	784,006
Additional risk-weighted assets due to capital floor	-	-	4,746,219	-
Total risk-weighted assets	<u>121,042,914</u>	<u>89,781,663</u>	<u>30,452,251</u>	<u>1,706,317</u>

<sup>@</sup> The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A29. Capital Adequacy Ratio (continued)**

The total risk-weighted assets of the Group and Bank are computed based on BNM's Guideline on Risk Weighted Capital Adequacy Framework: Internal Ratings Based Approach for Credit Risk and Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

The total risk-weighted assets of RHB Islamic Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Internal Ratings Based Approach for Credit and Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

The total risk-weighted assets of RHB Investment Bank are computed based on BNM's Guideline on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

(d) The capital adequacy ratios of RHB Bank Cambodia are as follows:

	<b>As at 30 September 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>
Before proposed dividends:		
Solvency ratio	<b>19.010%</b>	15.477%
After proposed dividends:		
Solvency ratio	<b>19.010%</b>	15.477%

The Solvency Ratio of RHB Bank Cambodia is the nearest equivalent regulatory compliance ratio in Cambodia computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as RHB Bank Cambodia's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15%.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking**

**(a) Statement of Financial Position as at 30 September 2020**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>ASSETS</b>				
Cash and short-term funds	1,906,954	4,051,889	-	-
Deposits and placements with banks and other financial institutions	723,457	36,886	-	-
Financial assets at FVTPL	33,649	207,145	-	-
Financial assets at FVOCI	5,764,135	5,118,305	-	-
Financial investments at amortised cost	4,274,704	3,407,470	-	-
Financing and advances	66,851,037	60,799,611	1,000,834	570,204
Other assets	361,353	452,036	80,966	183,075
Derivative assets	10,038	8,703	-	-
Statutory deposits	11,000	1,517,000	-	-
Right of use assets	4,474	2,924	-	-
Property, plant and equipment	3,771	3,979	-	-
Intangible assets	3,192	3,633	-	-
Total assets	<b>79,947,764</b>	<b>75,609,581</b>	<b>1,081,800</b>	<b>753,279</b>
<b>LIABILITIES</b>				
Deposits from customers	59,106,934	54,416,970	-	-
Deposits and placements of banks and other financial institutions	3,283,464	2,506,723	1,029,180	576,300
Bills and acceptances payable	16,148	12,460	-	-
Other liabilities	552,869	644,477	-	143,419
Derivative liabilities	137,774	123,614	-	-
Recourse obligation on financing sold to Cagamas	2,272,551	2,270,239	-	-
Provision for taxation and zakat	29,444	36,025	-	-
Deferred tax liabilities	31,878	25,421	-	-
Lease liabilities	4,543	3,040	-	-
Subordinated obligations	763,118	754,565	-	-
Total liabilities	<b>66,198,723</b>	<b>60,793,534</b>	<b>1,029,180</b>	<b>719,719</b>
Islamic Banking Funds	13,749,041	14,816,047	52,620	33,560
Total liabilities and Islamic Banking Funds	<b>79,947,764</b>	<b>75,609,581</b>	<b>1,081,800</b>	<b>753,279</b>
Commitments and contingencies	<b>19,344,101</b>	<b>15,779,974</b>	<b>35,083</b>	<b>13,422</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking (continued)**

**(b) Income Statement for the Nine Months Ended 30 September 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	659,273	711,428	2,068,589	2,061,500
Income derived from investment account funds	83,036	107,710	278,116	323,344
Income derived from investment of shareholders' funds	17,983	83,811	158,726	267,039
Net modification loss	-	-	(232,788)	-
Allowance for credit losses	(71,143)	(26,388)	(133,565)	(17,059)
Total distributable income	689,149	876,561	2,139,078	2,634,824
Income attributable to depositors	(404,620)	(484,112)	(1,308,128)	(1,420,783)
	284,529	392,449	830,950	1,214,041
Personnel expenses	(6,895)	(9,562)	(22,068)	(27,764)
Other overheads and expenditures	(92,963)	(85,964)	(271,314)	(273,939)
Profit before taxation and zakat	184,671	296,923	537,568	912,338
Taxation and zakat	(49,890)	(49,171)	(72,111)	(136,238)
Net profit for the financial period	134,781	247,752	465,457	776,100

**Statement of Comprehensive Income for the Nine Months Ended 30 September 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Net profit for the financial period	134,781	247,752	465,457	776,100
Other comprehensive income/(loss) in respect of:				
Items that will be reclassified subsequently to profit or loss				
(a) Debt instruments measured at FVOCI				
- Unrealised net gain	90,423	67,609	232,230	190,833
- Net transfer to income statement on disposal	(12,176)	(7,260)	(35,167)	(12,563)
- Changes in expected credit losses	371	(1,572)	(223)	(2,704)
Income tax relating to components of other comprehensive income	(18,779)	(14,484)	(47,296)	(42,785)
Other comprehensive income, net of tax, for the financial period	59,839	44,293	149,544	132,781
Total comprehensive income for the financial period	194,620	292,045	615,001	908,881



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking (continued)**

**(b) Income Statement for the Nine Months Ended 30 September 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income derived from investment of depositors' funds	2,617	2,798	10,263	8,205
Income derived from investment of shareholders' funds	-	499	78	502
Allowance for credit losses	(7,173)	(2,172)	(9,587)	(1,018)
Total distributable income	(4,556)	1,125	754	7,689
Income attributable to depositors	(1,236)	(2,306)	(7,872)	(6,491)
	(5,792)	(1,181)	(7,118)	1,198
Personnel expenses	(255)	(1,358)	(990)	(2,802)
Other overheads and expenditures	(1)	(46)	(22)	(55)
Loss before taxation	(6,048)	(2,585)	(8,130)	(1,659)
Taxation	-	-	-	-
Net loss for the financial period	(6,048)	(2,585)	(8,130)	(1,659)

**Statement of Comprehensive Income for the Nine Months Ended 30 September 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Net loss for the financial period	(6,048)	(2,585)	(8,130)	(1,659)
Total comprehensive loss for the financial period	(6,048)	(2,585)	(8,130)	(1,659)



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking (continued)**

**(d) Financing and Advances**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>At amortised cost</b>				
Cashline	830,572	847,596	-	-
Term financing				
- Housing financing	20,342,364	18,357,927	-	-
- Syndicated term financing	2,732,914	2,881,891	-	-
- Hire purchase receivables	8,272,728	7,723,027	-	-
- Other term financing	29,524,241	25,317,460	1,014,648	574,458
Bills receivables	1,208,025	910,771	-	-
Trust receipts	67,845	29,100	-	-
Staff financing	9,983	6,709	-	-
Credit/charge card receivables	269,184	293,523	-	-
Revolving financing	4,043,194	4,776,914	-	-
Gross financing and advances	67,301,050	61,144,918	1,014,648	574,458
Less: Allowance for credit losses	(450,013)	(345,307)	(13,814)	(4,254)
Net financing and advances	66,851,037	60,799,611	1,000,834	570,204

**(i) Movements in impaired financing and advances**

Balance as at the beginning of the financial period/year	466,169	509,183	-	-
Transfer to 12-month ECL (Stage 1)	(24,755)	(18,522)	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(40,791)	(71,197)	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	79,627	209,647	-	-
Purchases and origination	12,955	46,347	-	-
Derecognition	(67,247)	(99,603)	-	-
Amount written off	(44,218)	(109,686)	-	-
Balance as at the end of the financial period/year	381,740	466,169	-	-



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking (continued)**

**(d) Financing and Advances (continued)**

**(ii) Movement in allowance for credit losses**

Group	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	71,816	99,609	173,882	345,307
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	35,309	(28,007)	(7,302)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(7,008)	19,149	(12,141)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(116)	(2,967)	3,083	-
	28,185	(11,825)	(16,360)	-
Allowance made during the financial period	55,617	50,257	54,934	160,808
Bad debts written off	-	-	(30,900)	(30,900)
Derecognition	(3,398)	(3,502)	(18,275)	(25,175)
Exchange differences	(27)	-	-	(27)
Balance as at the end of the financial period	152,193	134,539	163,281	450,013
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	76,050	116,254	233,219	425,523
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	31,585	(25,017)	(6,568)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(5,332)	18,178	(12,846)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(483)	(3,649)	4,132	-
	25,770	(10,488)	(15,282)	-
Allowance made/(written back) during the financial year	(19,113)	13,448	66,258	60,593
Bad debts written off	-	-	(84,924)	(84,924)
Changes to model methodologies	(2,628)	(4,104)	-	(6,732)
Derecognition	(8,260)	(15,501)	(25,389)	(49,150)
Exchange differences	(3)	-	-	(3)
Balance as at the end of the financial year	71,816	99,609	173,882	345,307



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking (continued)**

**(d) Financing and Advances (continued)**

**(ii) Movement in allowance for credit losses**

<b>Bank</b>	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>(Stage 1)</b>	<b>impaired</b>	<b>impaired</b>	
	<b>RM'000</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>	<b>RM'000</b>
<b>30 September 2020</b>				
Balance as at the beginning of the financial period	4,254	-	-	4,254
Allowance made during the financial period	9,587	-	-	9,587
Exchange differences	(27)	-	-	(27)
Balance as at the end of the financial period	<u>13,814</u>	<u>-</u>	<u>-</u>	<u>13,814</u>
<b>31 December 2019</b>				
Balance as at the beginning of the financial year	2,435	-	-	2,435
Allowance made during the financial year	1,822	-	-	1,822
Exchange differences	(3)	-	-	(3)
Balance as at the end of the financial year	<u>4,254</u>	<u>-</u>	<u>-</u>	<u>4,254</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**A30. Operations of Islamic Banking (continued)**

	Group		Bank	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>(e) Other Assets</b>				
Prepayments	24,248	26,794	-	-
Deposits	1,535	1,527	-	-
Other receivables	335,570	423,715	80,966	183,075
	<b>361,353</b>	<b>452,036</b>	<b>80,966</b>	<b>183,075</b>

	Group	
	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000
<b>(f) Deposits from Customers</b>		
Saving Deposits		
- Qard	2,063,747	1,546,038
Demand Deposits		
- Qard	7,096,216	4,922,269
- Commodity Murabahah	1,456,681	899,010
Term Deposits		
- Commodity Murabahah	42,431,757	39,937,853
Specific Investment Account		
- Murabahah	5,996,749	7,011,168
General Investment Account		
- Mudharabah	61,784	100,632
	<b>59,106,934</b>	<b>54,416,970</b>



**RHB BANK BERHAD**

**Registration No. 196501000373 (6171-M)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B1. Review of Group Results**

**(a) Current Financial Period vs Previous Financial Period**

The Group recorded a net profit of RM1,593.9 million for the first nine months of 2020, a decline of 14.4% year-on-year.

Excluding a one-off modification expenses of RM392.4 million and profit from discontinued operations, the Group's normalised net profit was at RM1,857.5 million, 1.8% lower from the previous year corresponding period. This was mainly attributed to higher allowances for credit losses, higher operating expenses and impairment loss in an associate, partially offset by higher net fund based income and non-fund based income. The Group's normalised pre-tax profit from continuing operations before the one-off modification expenses was at RM2,462.6 million, a decrease of 2.6% from the previous year corresponding period.

Net fund based income increased by 1.7% to RM3,736.1 million from a year ago, driven by proactive management of funding costs which dropped 19.3% year-on-year as a result of an increase in CASA composition and the redemption of Hybrid Tier- I Capital and certain sub-debts during the period.

Non-fund based income improved by 14.3% to RM1,774.0 million, contributed largely by higher net trading and investment income, brokerage income and insurance underwriting surplus, partially offset by lower net gain on foreign exchange and derivatives and lower capital market and transactional banking related fee income.

Operating expenses increased slightly by 0.4% to RM2,497.3 million from a year ago. Cost-to-income ratio, excluding a one-off modification expenses and profit from discontinued operations, improved to 45.3% from 47.6% a year ago.

The Group remained prudent and continued to build up provisions to absorb any potential negative effects to asset quality as the extent of the pandemic impact is still uncertain especially with the resurgence in cases recently. As a result, allowances for credit losses on loans and financing increased to RM525.9 million, up from RM238.8 million for the corresponding period last year. Annualised credit charge ratio was at 0.38% compared with 0.18% over the same period last year.

Total assets for the Group increased by 2.1% from December 2019 to RM263.0 billion as at 30 September 2020, primarily due to an increase in loans and financing and securities portfolio. Net assets per share was at RM6.81, with shareholders' equity at RM27.3 billion as at 30 September 2020.

The Group's gross loans and financing grew by 5.6% year-on-year to RM182.4 billion, mainly supported by growth in domestic market and Singapore operation. The domestic loan and financing grew 4.7% year on year, mainly from growth in mortgages and SME.

Customer deposits increased by 7.5% year-on-year to RM196.8 billion, largely attributable to growth in CASA and fixed deposits, partially offset by decrease in money market time deposits. CASA increased by 32.6% year-on-year, with CASA composition at 31.3% as at 30 September 2020.

Gross impaired loans was at RM3.1 billion as at 30 September 2019, with gross impaired loans ratio of 1.69%. Loan loss coverage for the Group, including regulatory reserves was at 112.4%.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B1. Review of Group Results**

**(b) Performance by Operating Segment**

(i) Group Retail Banking

Group Retail Banking reported a pre-tax profit of RM754.4 million for the first nine months of the year, 1.9% lower than the previous year's corresponding period. This was mainly due to lower non-fund based income, higher operating expenses and higher allowances for credit losses on loans, partially offset by higher net fund based income.

Retail loans and financing rose 5.2% year-on-year to RM93.5 billion, primarily driven by growth in mortgages and personal financing.

Retail deposits increased by 13.0% year-on-year to RM64.6 billion, mainly contributed by growth in fixed deposits and CASA.

(ii) Group Business Banking

Group Business Banking recorded a pre-tax profit of RM263.3 million in the first nine months of the year, a 26.4% decrease mainly due to higher allowances for credit losses on loans and lower non-fund based income, partly offset by higher net fund based income.

Gross loans and financing expanded by 8.0% year-on-year to RM28.1 billion, driven mainly by Retail SME portfolio at 7.6%.

Strong current account growth contributed to the overall deposits growth of 15.7% over the same period to RM33.1 billion.

(iii) GWB

Group Wholesale Banking ("GWB") recorded a pre-tax profit of RM1,459.2 million, a reduction of 2.2% from the previous year.

(a) Group Corporate & Investment Banking registered a pre-tax profit of RM509.9 million, a 1.3% decrease on the back of higher expected credit losses on loans and other financial assets, partially offset by higher net fund based income and non fund based income.

Gross loans and financing increased by 1.4% year-on-year to RM41.6 billion. Deposits increased by 12.4% over the same period to RM59.6 billion primarily due to a growth in current account and fixed deposits.

(b) Group Treasury & Global Markets recorded a 2.7% decline in pre-tax profit to RM949.3 million over the year, mainly due to lower net fund based income, lower net gain on foreign exchange and derivatives, and lower expected credit losses written back on financial assets, partially offset by higher net trading and investment income.

Total deposits decreased by 30.4% year-on-year to RM17.8 billion mainly due to decline in money market time deposits.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B1. Review of Group Results (continued)**

**(b) Performance by Operating Segment (continued)**

(iv) Group International Business

RHB Bank Singapore recorded a pre-tax profit of SGD10.3 million, 3.9% higher as compared to the previous year's corresponding period. This was mainly attributed to higher non-fund based income and lower operating expenses, partially offset by higher expected credit losses on loans and other financial assets and lower net fund based income.

Singapore loans and advances increased by 19.9% year-on-year to SGD4.9 billion, while deposits increased by 17.9% to SGD5.8 billion.

Group International Business excluding Singapore registered a pre-tax profit of RM33.1 million, 49.9% lower than the previous year's corresponding period. This was mainly due to lower profitability in Cambodia and Thailand.

**B2. Current Quarter vs Previous Quarter**

Pre-tax for the current quarter excluding discontinued operations increased 52.2% to RM789.9 million, from RM519.0 million recorded in the preceding quarter ended 30 June 2020. This was primarily due to the absence of modification loss and lower expected credit losses on loans and other financial assets, partially offset by lower non-fund based income and higher operating expenses.

**B3. Prospects for Financial Year 2020**

As we enter the last quarter of 2020, global economic growth is forecast to recover in 2021, premised on policy stimulus undertaken by central banks and governments worldwide, further supported by potential COVID-19 vaccine discovery. However, the pace of economic recovery will depend largely on the individual country's ability to contain the pandemic which is seeing a second surge in many countries. Malaysia's GDP is expected to rebound to a growth of between 5% to 7% in 2021 from a forecast contraction of 4.0% in 2020, on the back of continued government stimulus and recovery of its major trading partners. A hike in OPR, if any, is expected to occur only towards the later part of 2021.

RHB continues to offer support to its borrowers who are in need via the targeted repayment assistance post 30 September 2020 to ensure that they are able to see through the financial effects of the pandemic.

With strong fundamentals, RHB Banking Group is in a good position to navigate through the challenges, supported by sufficient liquidity and robust capital levels. While our present loan loss coverage is comfortable, we have ample room to absorb any potential increase in credit losses. With FIT22, our resolution is to stay the course, prioritising certain initiatives to improve our readiness in responding to the impact of the economic slowdown such as digitalisation of customer journeys, transformation of credit risk management and readying the workforce for the future.

**B4. Variance of Actual Profit from Forecast Profit and Profit Guarantee**

There were no profit forecast or profit guarantee issued by the Group and the Bank.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B5. Taxation and Zakat**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	266,349	208,145	567,640	548,904
- Overseas tax	5,182	8,831	9,027	17,190
Deferred tax	(58,788)	(6,443)	(74,913)	35,171
	<u>212,743</u>	<u>210,533</u>	<u>501,754</u>	<u>601,265</u>
(Over)/Under provision in respect of prior financial years	-	5,335	(344)	28,416
Tax expense	<u>212,743</u>	<u>215,868</u>	<u>501,410</u>	<u>629,681</u>
Zakat	1,363	1,428	3,636	3,473
	<u>214,106</u>	<u>217,296</u>	<u>505,046</u>	<u>633,154</u>

The effective tax rate of the Group for the third quarter and nine months ended 30 September 2020 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	160,835	144,159	415,316	379,460
- Overseas tax	-	2,289	782	2,295
Deferred tax	(14,919)	(8,476)	(36,108)	22,126
	<u>145,916</u>	<u>137,972</u>	<u>379,990</u>	<u>403,881</u>
Over provision in respect of prior financial years	-	(4,695)	-	(4,226)
	<u>145,916</u>	<u>133,277</u>	<u>379,990</u>	<u>399,655</u>

The effective tax rate of the Bank for the third quarter ended 30 September 2020 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

The effective tax rate of the Bank for the nine months ended 30 September 2020 was lower than the statutory tax rate mainly due to certain income not subject to tax.



**RHB BANK BERHAD**

**Registration No. 196501000373 (6171-M)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B6. Status of Corporate Proposals**

**(a) Proposed cessation of business operations of subsidiaries in Hong Kong**

RHB Hong Kong Limited ('RHB Hong Kong') and its subsidiaries (collectively, 'RHB Hong Kong Group'), had on 4 December 2019 decided that they will commence to cease their business operations ('Proposed Cessation'). RHB Hong Kong is a wholly-owned subsidiary of RHB Investment Bank, which in turn is wholly-owned by the Bank.

Pursuant to the Proposed Cessation, RHB Hong Kong Group will gradually discontinue offering financial services to its existing and potential clients. RHB Investment Bank, being the shareholder of RHB Hong Kong Group will provide the requisite support to ensure an orderly winding down of their business operations. RHB Investment Bank had on 14 February 2020 injected additional capital into RHB Hong Kong as disclosed in Note A26(b).

The increasingly challenging operating broking environment in Hong Kong has resulted in losses being recorded for RHB Hong Kong Group. As a result, it is no longer viable for RHB Hong Kong Group to continue its business operations. The Proposed Cessation would allow RHB Investment Bank to refocus efforts and resources in driving long-term growth in other ASEAN markets in line with the larger RHB Banking Group's FIT22 strategy.

As part of RHB Hong Kong Group, RHB (China) Investment Advisory Co. Ltd had commenced the application for dissolution as disclosed in Note A26(c) and RHBFINHK has commenced the application for member's voluntary winding up as disclosed in Note A26(g).



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities and Subordinated Obligations**

**(a) Deposits from customers and placements of banks and other financial institutions**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Deposits from customers				
- One year or less	194,893,126	186,019,586	130,535,382	128,517,526
- More than one year	1,879,918	4,535,639	258,662	3,053,598
	<u>196,773,044</u>	<u>190,555,225</u>	<u>130,794,044</u>	<u>131,571,124</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	19,213,511	21,112,852	20,995,608	18,806,380
- One year to three years	434,725	155,872	402,890	136,630
- Three years to five years	102,672	69,400	59,986	29,617
- Over five years	1,049,682	201,205	1,032,682	201,205
	<u>20,800,590</u>	<u>21,539,329</u>	<u>22,491,166</u>	<u>19,173,832</u>

**(b) Borrowings**

	Group		Bank	
	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
<b>Secured</b>				
Term loans:				
- Cambodian Riel	172,332	112,930	-	-
<b>Unsecured</b>				
Term loans:				
- United States Dollar	831,597	840,177	831,597	840,177
- Hong Kong Dollar	-	3,101	-	-
- Singapore Dollar	-	72,972	-	-
Promissory note:				
- Indonesia Rupiah	28,117	29,673	-	-
- Thai Baht	85,277	123,674	-	-
	<u>1,117,323</u>	<u>1,182,527</u>	<u>831,597</u>	<u>840,177</u>
Scheduled repayment of borrowings:				
- Within one year	1,117,323	978,026	831,597	635,676
- One year to three years	-	204,501	-	204,501
	<u>1,117,323</u>	<u>1,182,527</u>	<u>831,597</u>	<u>840,177</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities and Subordinated Obligations (continued)**

**(c) Senior debt securities**

	<b>Group and Bank</b>	
	<b>As at 30 September 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>
USD500 million 2.503% senior debt securities due in 2021	<b>2,101,783</b>	2,055,132
USD300 million 3.766% senior debt securities due in 2024	<b>1,250,333</b>	1,241,631
	<b><u>3,352,116</u></b>	<b><u>3,296,763</u></b>

**(d) Subordinated obligations**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 September 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>	<b>As at 30 September 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>
5.60% RM300 million Tier II Subordinated Notes 2010/2025	-	302,946	-	302,946
4.95% RM200 million Tier II Subordinated Notes 2015/2025	-	202,061	-	-
4.75% RM500 million Tier II Subordinated Notes 2015/2025	-	503,474	-	503,474
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027	<b>255,248</b>	252,139	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027	<b>749,879</b>	758,976	<b>749,879</b>	758,976
4.90% RM200 million Tier II Subordinated Notes 2017/2027	<b>204,591</b>	202,202	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	<b>507,871</b>	502,426	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	<b>505,584</b>	-	<b>505,584</b>	-
	<b><u>2,223,173</u></b>	<b><u>2,724,224</u></b>	<b><u>1,255,463</u></b>	<b><u>1,565,396</u></b>

The subordinated obligations comprise unsecured liabilities of the Bank and its investment and islamic bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital (as disclosed in Note A29) for the purpose of determining the capital adequacy ratios of the Bank and the respective subsidiaries.



**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B8. Derivative Financial Instruments**

Details of derivative financial instruments outstanding are as follows:

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

Group	As at 30 September 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	58,827,189	431,867	714,679	52,494,800	304,168	623,039
- Options	311,870	4,703	593	2,181,278	11,933	5,226
- Cross-currency interest rate swaps	3,814,007	231,455	174,754	3,755,572	217,884	161,926
	<b>62,953,066</b>	<b>668,025</b>	<b>890,026</b>	<b>58,431,650</b>	<b>533,985</b>	<b>790,191</b>
Interest rate related contracts						
- Swaps	31,112,883	722,221	707,363	30,255,839	303,302	262,100
Commodity related contracts						
- Options	260,756	18,997	18,997	290,309	11,831	11,831
Equity related contracts						
- Options	362,868	20,102	20,016	-	-	-
Structured warrants	314,097	-	90,934	43,817	-	4,277
Structured investments	-	-	-	18,116	4,437	-
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	7,842,214	-	334,775	4,507,590	1,701	92,528
<b>Total</b>	<b>102,845,884</b>	<b>1,429,345</b>	<b>2,062,111</b>	<b>93,547,321</b>	<b>855,256</b>	<b>1,160,927</b>



**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B8. Derivative Financial Instruments (continued)**

Details of derivative financial instruments outstanding are as follows: (continued)

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued)

Bank	As at 30 September 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By type</b>						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	58,795,271	433,366	717,613	53,381,479	314,700	622,944
- Options	311,870	4,703	593	2,181,278	11,933	5,226
- Cross-currency interest rate swaps	4,899,391	231,367	175,060	4,920,676	215,877	160,422
	<b>64,006,532</b>	<b>669,436</b>	<b>893,266</b>	<b>60,483,433</b>	<b>542,510</b>	<b>788,592</b>
Interest rate related contracts						
- Swaps	40,712,882	853,896	832,593	35,115,839	346,105	302,968
Commodity related contracts						
- Options	260,756	18,997	18,997	290,309	11,831	11,831
Equity related contracts						
- Options	364,310	20,102	20,016	-	-	-
Structured investments	-	-	-	5,866	1,437	-
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,242,214	-	209,553	3,007,590	1,701	51,683
<b>Total</b>	<b>109,586,694</b>	<b>1,562,431</b>	<b>1,974,425</b>	<b>98,903,037</b>	<b>903,584</b>	<b>1,155,074</b>





RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

B8. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding are as follows: (continued)

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued)

Group	As at 30 September 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By remaining period to maturity/next re-pricing date</b>						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	58,912,062	473,468	735,237	54,600,403	372,580	639,164
- One year to three years	1,885,532	97,959	75,882	2,254,492	91,489	58,394
- More than three years	2,155,472	96,598	78,907	1,576,755	69,916	92,633
	<b>62,953,066</b>	<b>668,025</b>	<b>890,026</b>	<b>58,431,650</b>	<b>533,985</b>	<b>790,191</b>
Interest rate related contracts						
- Less than one year	8,455,359	35,776	44,917	6,407,422	9,842	5,154
- One year to three years	8,016,205	57,766	80,684	11,123,197	39,942	44,133
- More than three years	14,641,319	628,679	581,762	12,725,220	253,518	212,813
	<b>31,112,883</b>	<b>722,221</b>	<b>707,363</b>	<b>30,255,839</b>	<b>303,302</b>	<b>262,100</b>
Commodity related contracts						
- Less than one year	260,756	18,997	18,997	266,117	10,665	10,665
- One year to three years	-	-	-	24,192	1,166	1,166
	<b>260,756</b>	<b>18,997</b>	<b>18,997</b>	<b>290,309</b>	<b>11,831</b>	<b>11,831</b>
Equity related contracts						
- Less than one year	362,868	20,102	20,016	-	-	-
	<b>362,868</b>	<b>20,102</b>	<b>20,016</b>	<b>-</b>	<b>-</b>	<b>-</b>
Structured warrants						
- Less than one year	314,097	-	90,934	43,817	-	4,277
	<b>314,097</b>	<b>-</b>	<b>90,934</b>	<b>43,817</b>	<b>-</b>	<b>4,277</b>
Structured investments						
- Less than one year	-	-	-	18,116	4,437	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,116</b>	<b>4,437</b>	<b>-</b>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	151,630	-	1,591	-	-	-
- One year to three years	371,204	-	8,590	514,567	299	5,338
- More than three years	7,319,380	-	324,594	3,993,023	1,402	87,190
	<b>7,842,214</b>	<b>-</b>	<b>334,775</b>	<b>4,507,590</b>	<b>1,701</b>	<b>92,528</b>
Total	<b>102,845,884</b>	<b>1,429,345</b>	<b>2,062,111</b>	<b>93,547,321</b>	<b>855,256</b>	<b>1,160,927</b>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

**B8. Derivative Financial Instruments (continued)**

Details of derivative financial instruments outstanding are as follows: (continued)

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued)

Bank	As at 30 September 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By remaining period to maturity/next re-pricing date</b>						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	59,861,649	474,879	738,172	56,549,934	382,939	639,060
- One year to three years	1,989,411	97,959	75,882	2,254,494	91,489	58,403
- More than three years	2,155,472	96,598	79,212	1,679,005	68,082	91,129
	<b>64,006,532</b>	<b>669,436</b>	<b>893,266</b>	<b>60,483,433</b>	<b>542,510</b>	<b>788,592</b>
Interest rate related contracts						
- Less than one year	10,876,133	35,774	44,925	8,267,422	10,100	5,154
- One year to three years	7,995,431	57,766	80,684	11,296,204	39,942	44,156
- More than three years	21,841,318	760,356	706,984	15,552,213	296,063	253,658
	<b>40,712,882</b>	<b>853,896</b>	<b>832,593</b>	<b>35,115,839</b>	<b>346,105</b>	<b>302,968</b>
Commodity related contracts						
- Less than one year	260,756	18,997	18,997	266,117	10,665	10,665
- One year to three years	-	-	-	24,192	1,166	1,166
	<b>260,756</b>	<b>18,997</b>	<b>18,997</b>	<b>290,309</b>	<b>11,831</b>	<b>11,831</b>
Equity related contracts						
- Less than one year	364,310	20,102	20,016	-	-	-
	<b>364,310</b>	<b>20,102</b>	<b>20,016</b>	<b>-</b>	<b>-</b>	<b>-</b>
Structured investments						
- Less than one year	-	-	-	5,866	1,437	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,866</b>	<b>1,437</b>	<b>-</b>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	151,630	-	1,591	-	-	-
- One year to three years	371,204	-	8,590	514,567	299	5,338
- More than three years	3,719,380	-	199,372	2,493,023	1,402	46,345
	<b>4,242,214</b>	<b>-</b>	<b>209,553</b>	<b>3,007,590</b>	<b>1,701</b>	<b>51,683</b>
<b>Total</b>	<b>109,586,694</b>	<b>1,562,431</b>	<b>1,974,425</b>	<b>98,903,037</b>	<b>903,584</b>	<b>1,155,074</b>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B8. Derivative Financial Instruments (continued)**

(b) Related accounting policies

Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designate certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge); or (3) net investment hedge. Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statements, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

The Group and the Bank apply fair value hedge accounting for hedging fixed interest risk on loans, advances and financing and financial assets at FVOCI. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate loans, advances and financing and financial assets at FVOCI is recognised in income statements within other operating income. The gain or loss relating to the ineffective portion is recognised in income statements within net gain or loss on fair value hedges. Changes in the fair value of the hedge fixed rate loans, advances and financing attributable to interest rate risk are recognised in income statements within other operating income. Changes in the fair value of the hedge financial assets at FVOCI are recycled from FVOCI reserves to income statements within other operating income.

For fair value hedge of financial assets designated as FVOCI, any changes in fair value of the hedged financial assets FVOCI are recycled from FVOCI reserves to income statements, while the changes in fair value of the derivatives that is related to the effective portion of the hedge is recognised in income statements within other operating income. The ineffective portion of the aforesaid hedging derivatives is recognised in income statements with net gain or loss on fair value changes of derivatives.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statements over the period to maturity and recorded as other operating income.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain and loss relating to the ineffective portion is recognised immediately in the income statements.

Amounts accumulated in equity are recycled to the income statements in the periods when the hedged item affects profit or loss. They are recorded in the income or expense lines in which the revenue or expense associated with the related hedged item is reported.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the periods when the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is immediately reclassified to the income statements.



**RHB BANK BERHAD**

**Registration No. 196501000373 (6171-M)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B8. Derivative Financial Instruments (continued)**

(b) Related accounting policies (continued)

(iii) Net investment hedge

Net investment hedge is a hedge against the exposure to exchange rate fluctuations on the net assets of the Group's foreign operations/subsidiaries. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in the foreign currency translation reserve in equity via other comprehensive income while any gain or loss relating to the ineffective portion is recognised directly in the income statements. On disposal of the foreign operations/subsidiaries, the cumulative value of any such gains or losses recognised in equity is transferred to the income statements.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statements.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B9. Fair Value of Financial Instruments**

The Group and the Bank analyses its financial instruments measured at fair value into three categories as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2020</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	444,902	3,292,630	544,298	4,281,830
- Money market instruments	-	1,735,268	-	1,735,268
- Quoted securities	444,902	-	-	444,902
- Unquoted securities	-	1,557,362	544,298	2,101,660
Financial assets at FVOCI:	1,821	40,245,625	755,152	41,002,598
- Money market instruments	-	13,368,630	-	13,368,630
- Quoted securities	1,821	-	-	1,821
- Unquoted securities	-	26,876,995	755,152	27,632,147
Derivative assets	-	1,429,345	-	1,429,345
	<u>446,723</u>	<u>44,967,600</u>	<u>1,299,450</u>	<u>46,713,773</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	<u>90,934</u>	<u>1,971,177</u>	<u>-</u>	<u>2,062,111</u>
<b>31 December 2019</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	375,403	3,742,448	505,596	4,623,447
- Money market instruments	-	2,144,858	-	2,144,858
- Quoted securities	375,403	-	-	375,403
- Unquoted securities	-	1,597,590	505,596	2,103,186
Financial assets at FVOCI:	2,418	39,108,486	694,400	39,805,304
- Money market instruments	-	13,875,143	-	13,875,143
- Quoted securities	2,418	-	-	2,418
- Unquoted securities	-	25,233,343	694,400	25,927,743
Derivative assets	3,000	852,256	-	855,256
	<u>380,821</u>	<u>43,703,190</u>	<u>1,199,996</u>	<u>45,284,007</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	<u>4,277</u>	<u>1,156,650</u>	<u>-</u>	<u>1,160,927</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B9. Fair Value of Financial Instruments (continued)**

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy (continued):

<b>Bank</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>30 September 2020</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	6,877	2,238,469	13,458	2,258,804
- Money market instruments	-	1,701,619	-	1,701,619
- Quoted securities	6,877	-	-	6,877
- Unquoted securities	-	536,850	13,458	550,308
Financial assets at FVOCI:	-	33,895,331	713,925	34,609,256
- Money market instruments	-	11,570,806	-	11,570,806
- Unquoted securities	-	22,324,525	713,925	23,038,450
Derivative assets	-	1,562,431	-	1,562,431
	<u>6,877</u>	<u>37,696,231</u>	<u>727,383</u>	<u>38,430,491</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	1,974,425	-	1,974,425
<b>31 December 2019</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	6,661	2,510,748	12,879	2,530,288
- Money market instruments	-	1,937,713	-	1,937,713
- Quoted securities	6,661	-	-	6,661
- Unquoted securities	-	573,035	12,879	585,914
Financial assets at FVOCI:	-	33,278,941	655,331	33,934,272
- Money market instruments	-	11,971,912	-	11,971,912
- Unquoted securities	-	21,307,029	655,331	21,962,360
Derivative assets	-	903,584	-	903,584
	<u>6,661</u>	<u>36,693,273</u>	<u>668,210</u>	<u>37,368,144</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	1,155,074	-	1,155,074

There were no transfers between Level 1 and 2 during the financial period.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B9. Fair Value of Financial Instruments (continued)**

(i) Valuation techniques

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include quoted securities and unit trusts.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. The majority of valuation techniques employ only observable market data. These would include certain bonds, government bonds, corporate debt securities and derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio-economic reasons, unquoted private equity funds, non-transferable and non-tradable perpetual notes/sukuk, impaired securities and unquoted corporate loan stocks. Fair values for shares held for socio-economic reasons are based on the net tangible assets of the affected companies. Fair values for unquoted private equity funds are based on enterprise valuation method where the main input include earnings before interest, taxes, depreciation and amortisation ('EBITDA'), comparable companies earning multiple and marketable discount. For unquoted corporate loan stocks, discounted cash flow analysis has been performed to determine the recoverability of the instruments.

(ii) Reconciliation of fair value movements in Level 3

The following represents the changes in Level 3 instruments for the Group and the Bank:

	Group		Bank	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets at FVTPL</b>				
Balance as at the beginning of the financial period/year	505,596	449,420	12,879	12,145
Total net gain recognised in income statements	37,010	33,817	-	-
Purchases	7,593	28,218	579	734
Settlements/distribution	(12,655)	(792)	-	-
Exchange differences	6,754	(5,067)	-	-
Balance as at the end of the financial period/year	<u>544,298</u>	<u>505,596</u>	<u>13,458</u>	<u>12,879</u>
<b>Financial assets at FVOCI</b>				
Balance as at the beginning of the financial period/year	694,400	767,926	655,331	638,477
Total net gain recognised in other comprehensive income	60,765	18,745	58,594	16,854
Settlements/disposal	-	(92,290)	-	-
Exchange differences	(13)	19	-	-
Balance as at the end of the financial period/year	<u>755,152</u>	<u>694,400</u>	<u>713,925</u>	<u>655,331</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B10. Significant Events During the Financial Period**

**Disposal of RHB Securities Singapore Pte Ltd ('RHB Securities Singapore')**

RHB Investment Bank, a wholly owned subsidiary of the Bank has on 29 June 2020, entered into a conditional share purchase agreement with Phillip Securities Pte Ltd ('Purchaser') in respect of the disposal of its entire equity interest in its wholly owned subsidiary, RHB Securities Singapore ('Disposal').

Prior to the completion of the Disposal, RHB Securities Singapore undertook a corporate exercise to transfer the following businesses and assets to the Bank ('Business Transfer'):

- (i) the client coverage team, research and advisory services in relation to corporate finance, mergers and acquisitions, equity capital markets and institutional equities sales;
- (ii) the entire equity interests of RHB Securities Singapore's wholly-owned subsidiaries in RHB Nominees Singapore Pte Ltd, Summit Nominees Singapore Pte Ltd and RHB Research Institute Singapore Pte Ltd; and
- (iii) other assets and liabilities in respect of item (i) above.

The Disposal is conditional upon the completion of the Business Transfer but not vice versa.

With the Disposal, the Bank will be in a position to better serve its wholesale clients in Singapore with the transfer of the capital markets business to RHB Bank Singapore. The increasingly competitive broking environment has made it no longer viable for RHB Securities Singapore to continue its stock broking business.

The Business Transfer and the Disposal were completed on 31 August 2020 and 11 September 2020 respectively, following approvals from the relevant regulatory authorities in Malaysia and Singapore.

**(i) Effects of Business Transfer**

The Business Transfer which was based on the respective carrying value of the identified businesses, assets and liabilities of SGD20,572,000 (equivalent to RM62,798,000) on completion date, with a corresponding goodwill in accordance with predecessor accounting at the Bank level, was settled in cash. The Business Transfer does not have any significant effect to the financial results of the Bank and there is no financial impact from the Group's perspective.





RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B10. Significant Events During the Financial Period (continued)**

**Disposal of RHB Securities Singapore Pte Ltd ('RHB Securities Singapore') (continued)**

**(i) Effects of Business Transfer (continued)**

The Bank has adopted the predecessor accounting to reflect the Business Transfer and the effects of the restatement arising therefrom are as follows:

**Statements of Financial Position as at 31 December 2019**

<b>Bank</b>	<b>As previously reported RM'000</b>	<b>Effect of predecessor accounting RM'000</b>	<b>As restated RM'000</b>
<b>ASSETS</b>			
Cash and short term funds	5,502,893	-	5,502,893
Deposits and placements with banks and other financial institutions	5,349,632	-	5,349,632
Investment account due from designated financial institutions	8,229,334	-	8,229,334
Financial assets at FVTPL	2,530,288	-	2,530,288
Financial assets at FVOCI	33,934,272	-	33,934,272
Financial investments at amortised cost	9,702,802	-	9,702,802
Loans, advances and financing	107,345,665	-	107,345,665
Other assets	1,104,726	115	1,104,841
Derivative assets	903,584	-	903,584
Statutory deposits	2,608,316	-	2,608,316
Tax recoverable	433,364	-	433,364
Investments in subsidiaries	4,913,885	594	4,914,479
Right of use assets	85,960	55	86,015
Property, plant and equipment	753,638	33	753,671
Goodwill	1,651,542	63,371	1,714,913
Intangible assets	548,434	3	548,437
<b>TOTAL ASSETS</b>	<b>185,598,335</b>	<b>64,171</b>	<b>185,662,506</b>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B10. Significant Events During the Financial Period (continued)**

**Disposal of RHB Securities Singapore Pte Ltd ('RHB Securities Singapore') (continued)**

**(i) Effects of Business Transfer (continued)**

The Bank has adopted the predecessor accounting to reflect the Business Transfer and the effects of the restatement arising therefrom are as follows (continued):

**Statements of Financial Position as at 31 December 2019**

<b>Bank</b>	<b>As previously reported RM'000</b>	<b>Effect of predecessor accounting RM'000</b>	<b>As restated RM'000</b>
<b>LIABILITIES</b>			
Deposits from customers	131,571,124	-	131,571,124
Deposits and placements of banks and other financial institutions	19,173,832	-	19,173,832
Obligations on securities sold under repurchase agreements	3,772,623	-	3,772,623
Bills and acceptances payable	205,528	-	205,528
Other liabilities	1,780,860	64,115	1,844,975
Derivative liabilities	1,155,074	-	1,155,074
Recourse obligation on loans sold to Cagamas	1,265,757	-	1,265,757
Deferred tax liabilities	136,711	-	136,711
Lease liabilities	85,267	56	85,323
Borrowings	840,177	-	840,177
Senior debt securities	3,296,763	-	3,296,763
Subordinated obligations	1,565,396	-	1,565,396
<b>TOTAL LIABILITIES</b>	<b>164,849,112</b>	<b>64,171</b>	<b>164,913,283</b>
Share capital	6,994,103	-	6,994,103
Reserves	13,755,120	-	13,755,120
<b>TOTAL EQUITY</b>	<b>20,749,223</b>	<b>-</b>	<b>20,749,223</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>185,598,335</b>	<b>64,171</b>	<b>185,662,506</b>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B10. Significant Events During the Financial Period (continued)**

**Disposal of RHB Securities Singapore Pte Ltd ('RHB Securities Singapore') (continued)**

**(ii) Effects of Disposal**

The Disposal consideration which was based on the net tangible assets of RHB Securities Singapore preceding the completion date and adjustments mutually agreed between RHB Investment Bank and the Purchaser, was settled partially via cash and a set-off against intercompany balances owing by RHB Investment Bank to RHB Securities Singapore arising from the Business Transfer.

The Group had accounted for the Disposal of RHB Securities Singapore as a discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the discontinued operations are as follows:

(a) Cash flows and net assets on disposal date

	<b>RM'000</b>
Cash and short-term funds	37,327
Loans and advances	61,554
Net clients and brokers' balances	82,344
Other assets	115,436
Derivative assets	23
Right of use assets	3,466
Property, plant and equipment	3,277
Intangible assets	2,783
Other liabilities	(9,585)
Lease liabilities	(3,598)
Borrowings	(6,177)
Total net assets derecognised	<u>286,850</u>
Less: Realisation of foreign exchange reserve and net investment hedge	(75,603)
Gain on disposal of a subsidiary	<u>55,017</u>
Sales consideration	266,264
Less: Contingent consideration	(17,228)
Less: Non cash consideration	(12,991)
Less: Deed of set-off on proceeds from Business Transfer	<u>(62,798)</u>
Sales consideration received in cash	173,247
Less: Cash and short-term funds of the subsidiary disposed	(37,327)
Exchange differences	281
<b>Cash inflow on disposal of a subsidiary</b>	<u><u>136,201</u></u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B10. Significant Events During the Financial Period (continued)**

**Disposal of RHB Securities Singapore Pte Ltd ('RHB Securities Singapore') (continued)**

**(ii) Effects of Disposal (continued)**

The Group had accounted for the Disposal of RHB Securities Singapore as a discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the discontinued operations are as follows (continued):

(b) Financial performance and cash flow

**Income Statement for the Nine Months Ended 30 September 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Interest income	892	2,433	4,339	7,150
Interest expense	(59)	(586)	(709)	(1,991)
Net interest income	833	1,847	3,630	5,159
Other operating income	7,979	8,955	36,560	30,831
Net income	8,812	10,802	40,190	35,990
Other operating expenses	(17,178)	(20,683)	(61,140)	(63,455)
Operating profit before allowances	(8,366)	(9,881)	(20,950)	(27,465)
Allowance for credit losses on financial assets	286	340	(937)	(2,610)
Net operating loss before taxation	(8,080)	(9,541)	(21,887)	(30,075)
Taxation	1,261	135	1,531	(464)
Gain on disposal of a subsidiary	55,017	-	55,017	-
Net profit/(loss) from discontinued operations for the financial period	48,198	(9,406)	34,661	(30,539)



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B10. Significant Events During the Financial Period (continued)**

**Disposal of RHB Securities Singapore Pte Ltd ('RHB Securities Singapore') (continued)**

**(ii) Effects of Disposal (continued)**

The Group had accounted for the Disposal of RHB Securities Singapore as a discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the discontinued operations are as follows (continued):

(b) Financial performance and cash flow (continued)

**Statement of Comprehensive Income for the Nine Months Ended 30 September 2020**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) from discontinued operations for the financial period	48,198	(9,406)	34,661	(30,539)
Other comprehensive income/(loss) in respect of:				
Items that will be reclassified subsequently to profit or loss:				
- Realisation of foreign exchange reserve and net investment hedge from discontinued operations	(75,752)	(316)	(75,603)	(194)
Other comprehensive loss, net of tax, for the financial period	(75,752)	(316)	(75,603)	(194)
Total comprehensive loss from discontinued operations for the financial period	(27,554)	(9,722)	(40,942)	(30,733)

**Statements of Cash Flow for the Nine Months Ended 30 September 2020**

	Nine Months Ended	
	30 September 2020	30 September 2019
	RM'000	RM'000
From discontinued operations:		
Net cash generated from operating activities	27,132	46,434
Net cash generated from/(used in) investing activities	62,213	(1,480)
Net cash used in financing activities	(74,912)	(29,568)
Net increase in cash and cash equivalents	14,433	15,386



**RHB BANK BERHAD**  
Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

**B11. Dividends**

No dividend has been declared for the third quarter ended 30 September 2020.

**B12. Earnings per Share**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Profit attributable to equity holders of the Bank (RM'000)				
- Continuing operations	<b>574,051</b>	625,234	<b>1,559,238</b>	1,891,963
- Discontinued operations	<b>48,198</b>	(9,406)	<b>34,661</b>	(30,539)
	<b>622,249</b>	615,828	<b>1,593,899</b>	1,861,424
Weighted average number of ordinary shares in issue ('000)	<b>4,010,045</b>	4,010,045	<b>4,010,045</b>	4,010,045
Earnings/(Loss) per share (sen)				
- Continuing operations	<b>14.3</b>	15.6	<b>38.9</b>	47.2
- Discontinued operations	<b>1.2</b>	(0.2)	<b>0.8</b>	(0.8)
	<b>15.5</b>	15.4	<b>39.7</b>	46.4

There were no dilutive potential ordinary shares outstanding as at 30 September 2020. As a result, the diluted earnings per share equal to the basic earnings per share for the financial period ended 30 September 2020.

**BY ORDER OF THE BOARD**

**AZMAN SHAH MD YAMAN**  
(License No. LS0006901)

Company Secretary  
30 November 2020