



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Note	1st Quarter Ended		Three Months Ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Group		RM'000	RM'000	RM'000	RM'000
Interest income	A8	1,586,645	1,901,694	1,586,645	1,901,694
Interest expense	A9	(585,265)	(1,008,822)	(585,265)	(1,008,822)
Net interest income		1,001,380	892,872	1,001,380	892,872
Other operating income	A10	437,024	389,317	437,024	389,317
Income from Islamic Banking business	A30(b)	522,144	447,058	522,144	447,058
Net modification loss		(37,271)	-	(37,271)	-
Net income		1,923,277	1,729,247	1,923,277	1,729,247
Other operating expenses	A11	(885,422)	(817,211)	(885,422)	(817,211)
Operating profit before allowances		1,037,855	912,036	1,037,855	912,036
Allowance for credit losses on financial assets	A12	(173,900)	(150,746)	(173,900)	(150,746)
Profit before taxation and zakat		863,955	761,290	863,955	761,290
Taxation and zakat	B5	(213,327)	(180,239)	(213,327)	(180,239)
Profit from continuing operations		650,628	581,051	650,628	581,051
Loss from discontinued operation attributable to equity holders		-	(8,891)	-	(8,891)
Net profit for the financial period		650,628	572,160	650,628	572,160
Attributable to:					
- Equity holders of the Bank		650,288	570,880	650,288	570,880
- Non-controlling interests		340	1,280	340	1,280
		650,628	572,160	650,628	572,160
Earnings per share (sen):					
- Profit from continuing operations attributable to equity holders of the Bank					
- Basic	B12	16.2	14.4	16.2	14.4
- Diluted	B12	16.2	14.4	16.2	14.4
- Profit attributable to equity holders of the Bank					
- Basic	B12	16.2	14.2	16.2	14.2
- Diluted	B12	16.2	14.2	16.2	14.2

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 2020.



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2021

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
		RM'000	RM'000	RM'000	RM'000
Net profit for the financial period		650,628	572,160	650,628	572,160
Other comprehensive income/(loss) in respect of:					
(i) Items that will not be reclassified to profit or loss:					
(a) Actuarial (loss)/gain on defined benefit plan of subsidiaries		(600)	1,603	(600)	1,603
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')					
- Unrealised net gain on revaluation		3,198	1,286	3,198	1,286
(ii) Items that will be reclassified subsequently to profit or loss:					
(a) Foreign currency translation reserves					
- Currency translation differences		83,312	90,035	83,312	90,035
(b) Realisation of foreign exchange reserve and net investment hedge from discontinued operation		-	(44)	-	(44)
(c) Debt instruments measured at FVOCI					
- Unrealised net loss on revaluation		(1,284,497)	(433,349)	(1,284,497)	(433,349)
- Net transfer to income statements on disposal		(139,709)	(80,638)	(139,709)	(80,638)
- Changes in expected credit losses and exchange differences		48	(1,619)	48	(1,619)
Income tax relating to components of other comprehensive loss		341,723	122,970	341,723	122,970
Other comprehensive loss, net of tax, for the financial period		(996,525)	(299,756)	(996,525)	(299,756)
Total comprehensive (loss)/income for the financial period		(345,897)	272,404	(345,897)	272,404
Total comprehensive (loss)/income attributable to:					
- Equity holders of the Bank		(346,223)	271,329	(346,223)	271,329
- Non-controlling interests		326	1,075	326	1,075
		(345,897)	272,404	(345,897)	272,404
Total comprehensive income/(loss) attributable to equity holders of the Bank from:					
- Continuing operations		(346,223)	280,264	(346,223)	280,264
- Discontinued operation		-	(8,935)	-	(8,935)
		(346,223)	271,329	(346,223)	271,329

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INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Note	1st Quarter Ended		Three Months Ended	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	1,564,886	1,902,106	1,564,886	1,902,106
Interest expense	A9	(567,269)	(989,732)	(567,269)	(989,732)
Net interest income		997,617	912,374	997,617	912,374
Other operating income	A10	264,592	489,809	264,592	489,809
Income from Islamic Banking business	A30(b)	1,346	884	1,346	884
Net modification loss		(16,674)	-	(16,674)	-
Net income		1,246,881	1,403,067	1,246,881	1,403,067
Other operating expenses	A11	(600,808)	(568,240)	(600,808)	(568,240)
Operating profit before allowances		646,073	834,827	646,073	834,827
Allowance for credit losses on financial assets	A12	(64,668)	(50,737)	(64,668)	(50,737)
Profit before taxation		581,405	784,090	581,405	784,090
Taxation	B5	(136,635)	(136,930)	(136,635)	(136,930)
Net profit for the financial period		444,770	647,160	444,770	647,160

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 2020.



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2021

	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period	444,770	647,160	444,770	647,160
Other comprehensive income/(loss) 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')				
- Unrealised net gain on revaluation	1,257	1,679	1,257	1,679
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	21,476	8,898	21,476	8,898
(b) Debt instruments measured at FVOCI				
- Unrealised net loss on revaluation	(1,064,570)	(409,142)	(1,064,570)	(409,142)
- Net transfer to income statements on disposal	(103,245)	(73,115)	(103,245)	(73,115)
- Changes in expected credit losses and exchange differences	79	(1,244)	79	(1,244)
Income tax relating to components of other comprehensive loss	280,276	115,742	280,276	115,742
Other comprehensive loss, net of tax, for the financial period	(864,727)	(357,182)	(864,727)	(357,182)
Total comprehensive (loss)/income for the financial period	(419,957)	289,978	(419,957)	289,978

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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	Group		Bank	
		As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
ASSETS					
Cash and short-term funds		15,073,590	8,904,285	10,910,092	7,905,636
Deposits and placements with banks and other financial institutions		5,987,067	6,069,443	4,558,023	9,447,903
Investment account due from designated financial institutions	A13	-	-	8,841,944	8,840,858
Financial assets at fair value through profit or loss ('FVTPL')	A14	4,127,367	4,462,106	2,147,251	2,285,301
Financial assets at fair value through other comprehensive income ('FVOCI')	A15	44,118,616	42,903,259	36,738,485	35,869,640
Financial investments at amortised cost	A16	16,336,911	16,005,267	9,912,798	10,195,993
Loans, advances and financing	A17	184,482,790	182,424,879	110,022,261	109,515,184
Clients' and brokers' balances		1,273,967	1,339,568	-	-
Reinsurance assets		435,573	467,504	-	-
Other assets	A18	1,929,239	1,528,592	1,143,254	1,278,048
Derivative assets	B8	1,186,993	1,653,479	1,258,686	1,790,567
Statutory deposits		604,447	612,671	261,981	228,107
Tax recoverable		280,748	289,969	217,120	251,917
Deferred tax assets		190,420	35,338	100,999	-
Investments in subsidiaries		-	-	4,901,397	4,901,397
Investments in associates and joint venture		12	12	-	-
Right of use assets		146,020	149,898	72,988	76,166
Property, plant and equipment		1,020,567	1,013,255	771,718	766,626
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		664,537	636,311	589,961	565,485
TOTAL ASSETS		280,512,986	271,149,958	194,163,871	195,633,741
LIABILITIES					
Deposits from customers	A19/B7(a)	217,999,078	203,470,783	136,082,021	134,310,974
Deposits and placements of banks and other financial institutions	A20/B7(a)	18,355,821	21,035,186	23,323,324	24,610,611
Obligations on securities sold under repurchase agreements		1,539,262	972,963	4,462,851	4,740,494
Investment account due to designated financial institutions	A21	348,886	-	-	-
Bills and acceptances payable		304,596	187,020	293,458	174,838
Clients' and brokers' balances		1,154,943	1,171,930	-	-
General insurance contract liabilities		1,078,018	1,086,385	-	-
Other liabilities	A22	2,993,355	3,822,314	2,061,625	2,287,372
Derivative liabilities	B8	1,068,344	2,034,795	1,085,186	1,979,142
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,030,303	3,023,760	-	-
Provision for taxation and zakat		104,178	69,623	-	-
Deferred tax liabilities		3,342	165,938	-	152,111
Lease liabilities		150,429	154,188	73,616	77,356
Borrowings	B7(b)	295,130	634,630	-	201,101
Senior debt securities	B7(c)	3,648,476	3,545,150	3,648,476	3,545,150
Subordinated obligations	B7(d)	2,728,158	2,718,729	1,760,746	1,762,067
TOTAL LIABILITIES		253,802,319	244,093,394	172,791,303	173,841,216

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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

	Note	Group		Bank	
		As at	As at	As at	As at
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		6,994,103	6,994,103	6,994,103	6,994,103
Reserves		19,683,509	20,029,732	14,378,465	14,798,422
Equity attributable to holders of the Bank		26,677,612	27,023,835	21,372,568	21,792,525
Non-controlling interests ('NCI')		33,055	32,729	-	-
TOTAL EQUITY		26,710,667	27,056,564	21,372,568	21,792,525
TOTAL LIABILITIES AND EQUITY		280,512,986	271,149,958	194,163,871	195,633,741
COMMITMENTS AND CONTINGENCIES	A27(a)	159,564,590	157,480,418	153,157,359	154,247,517
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		6.65	6.74		

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

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	
Balance as at 1 January 2021		6,994,103	515	51,672	1,855,531	518,376	23,331	17,580,307	27,023,835	32,729	27,056,564
Net profit for the financial period		-	-	-	-	-	-	650,288	650,288	340	650,628
Foreign currency translation reserves:											
- Currency translation differences		-	-	-	22	82,061	-	1,235	83,318	(6)	83,312
Financial assets measured at FVOCI:											
- Equity instruments											
- Net gain on disposal		-	-	-	(4)	-	-	4	-	-	-
- Unrealised net gain on revaluation		-	-	-	3,198	-	-	-	3,198	-	3,198
- Debt instruments											
- Unrealised net loss on revaluation		-	-	-	(1,284,497)	-	-	-	(1,284,497)	-	(1,284,497)
- Net transfer to income statements on disposal		-	-	-	(139,709)	-	-	-	(139,709)	-	(139,709)
- Changes in expected credit losses and exchange differences		-	-	-	48	-	-	-	48	-	48
Actuarial loss on defined benefit plan of subsidiaries		-	-	-	-	-	-	(594)	(594)	(6)	(600)
Income tax relating to components of other comprehensive loss/(income)		-	-	-	341,931	-	-	(206)	341,725	(2)	341,723
Other comprehensive (loss)/income, net of tax, for the financial period		-	-	-	(1,079,011)	82,061	-	439	(996,511)	(14)	(996,525)
Total comprehensive (loss)/income for the financial period		-	-	-	(1,079,011)	82,061	-	650,727	(346,223)	326	(345,897)
Transfer to statutory reserves		-	41,451	-	-	-	-	(41,451)	-	-	-
Transfer to regulatory reserves		-	-	13,104	-	-	-	(13,104)	-	-	-
Balance as at 31 March 2021		6,994,103	41,966	64,776	776,520	600,437	23,331	18,176,479	26,677,612	33,055	26,710,667

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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

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
Balance as at 1 January 2020	6,994,103	513	838,992	1,328,060	688,866	23,331	15,901,529	25,775,394	35,415	25,810,809
Net profit for the financial period	-	-	-	-	-	-	570,880	570,880	1,280	572,160
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	(183)	90,435	-	-	90,252	(217)	90,035
- Realisation of foreign exchange reserve and net investment hedge from discontinued operation	-	-	-	-	(44)	-	-	(44)	-	(44)
Financial assets measured at FVOCI:										
- Equity instruments										
- Unrealised net gain on revaluation	-	-	-	1,286	-	-	-	1,286	-	1,286
- Debt instruments										
- Unrealised net loss on revaluation	-	-	-	(433,349)	-	-	-	(433,349)	-	(433,349)
- Net transfer to income statements on disposal	-	-	-	(80,638)	-	-	-	(80,638)	-	(80,638)
- Changes in expected credit losses and exchange differences	-	-	-	(1,619)	-	-	-	(1,619)	-	(1,619)
Actuarial gain on defined benefit plan of subsidiaries	-	-	-	-	-	-	1,587	1,587	16	1,603
Income tax relating to components of other comprehensive (income)/loss	-	-	-	123,333	-	-	(359)	122,974	(4)	122,970
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	(391,170)	90,391	-	1,228	(299,551)	(205)	(299,756)
Total comprehensive income/(loss) for the financial period	-	-	-	(391,170)	90,391	-	572,108	271,329	1,075	272,404
Transfer from regulatory reserves	-	-	(61,152)	-	-	-	61,152	-	-	-
Balance as at 31 March 2020	6,994,103	513	777,840	936,890	779,257	23,331	16,534,789	26,046,723	36,490	26,083,213

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

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	
Balance as at 1 January 2021	6,994,103	-	1,578,045	349,672	12,870,705	21,792,525
Net profit for the financial period	-	-	-	-	444,770	444,770
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	21,476	-	21,476
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain on disposal	-	-	(4)	-	4	-
- Unrealised net gain on revaluation	-	-	1,257	-	-	1,257
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(1,064,570)	-	-	(1,064,570)
- Net transfer to income statements on disposal	-	-	(103,245)	-	-	(103,245)
- Changes in expected credit losses and exchange differences	-	-	79	-	-	79
Income tax relating to components of other comprehensive loss	-	-	280,276	-	-	280,276
Other comprehensive income/(loss), net of tax, for the financial period	-	-	(886,207)	21,476	4	(864,727)
Total comprehensive income/(loss) for the financial period	-	-	(886,207)	21,476	444,774	(419,957)
Balance as at 31 March 2021	6,994,103	-	691,838	371,148	13,315,479	21,372,568

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

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
Balance as at 1 January 2020	6,994,103	352,506	1,165,505	374,754	11,862,355	20,749,223
Net profit for the financial period	-	-	-	-	647,160	647,160
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	8,898	-	8,898
Financial assets measured at FVOCI:						
- Equity instruments						
- Unrealised net gain on revaluation	-	-	1,679	-	-	1,679
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(409,142)	-	-	(409,142)
- Net transfer to income statements on disposal	-	-	(73,115)	-	-	(73,115)
- Changes in expected credit losses and exchange differences	-	-	(1,244)	-	-	(1,244)
Income tax relating to components of other comprehensive loss	-	-	115,742	-	-	115,742
Other comprehensive income/(loss), net of tax, for the financial period	-	-	(366,080)	8,898	-	(357,182)
Total comprehensive income/(loss) for the financial period	-	-	(366,080)	8,898	647,160	289,978
Transfer from regulatory reserves	-	(5,944)	-	-	5,944	-
Balance as at 31 March 2020	6,994,103	346,562	799,425	383,652	12,515,459	21,039,201

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Three Months Ended	
	31 March 2021	31 March 2020
Group	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation and zakat:		
- Continuing operations	863,955	761,290
- Discontinued operation	-	(9,026)
Profit before taxation and zakat, including discontinued operation	<u>863,955</u>	<u>752,264</u>
Adjustments for:		
Allowance for credit losses on loans, advances and financing	269,575	220,520
Allowance for credit losses on other financial assets	(6,441)	1,814
Property, plant and equipment:		
- Depreciation	29,095	27,444
- Gain on disposal	(4,789)	(55)
- Written off	399	4
Intangible assets:		
- Amortisation	29,507	29,920
Right of use assets:		
- Depreciation	16,995	18,926
- Gain on modification	-	(38)
Net allowance made/(written back) on financial assets at FVOCI and financial investments at amortised cost	544	(1,041)
Net gain on financial instruments	(40,228)	(33,065)
Gain on disposal of a subsidiary	(752)	-
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(15,866)	(14,318)
Net modification loss	(37,271)	-
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	59,769	68,454
Other non-cash items	(423,453)	(525,907)
Operating profit before working capital changes	<u>741,039</u>	<u>544,922</u>
Decrease/(Increase) in operating assets:		
Deposits and placements with banks and other financial institutions	103,632	(85,511)
Financial assets at FVTPL	277,274	64,321
Loans, advances and financing	(1,985,701)	(281,461)
Clients' and brokers' balances	65,601	(190,266)
Other assets	(859,630)	(1,368,954)
Statutory deposits	20,610	2,914,415
	<u>(2,378,214)</u>	<u>1,052,544</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	14,077,057	3,515,481
Deposits and placements of banks and other financial institutions	(2,738,531)	(2,198,239)
Obligations on securities sold under repurchase agreements	563,574	(231,015)
Investment account due to designated financial institutions	348,886	-
Bills and acceptances payable	117,148	221,348
Clients' and brokers' balances	(16,987)	318,302
Other liabilities	(529,533)	(267,015)
Recourse obligation on loans sold to Cagamas	(993,457)	(1,263,301)
	<u>10,828,157</u>	<u>95,561</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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Three Months Ended	
	31 March 2021	31 March 2020
Group	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash generated from operations	9,190,982	1,693,027
Interest paid	(45,323)	(49,155)
Net tax and zakat paid	(144,642)	(106,958)
Net cash generated from operating activities	<u>9,001,017</u>	<u>1,536,914</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(2,698,755)	(3,063,047)
Property, plant and equipment:		
- Purchase	(37,907)	(39,100)
- Proceeds from disposal	8,287	80
Intangible assets:		
- Purchase	(57,222)	(19,235)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest received	378,320	349,486
- Investment income received	103,526	86,560
Contingent consideration received arising from disposal of a subsidiary	219	-
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	15,866	14,318
Net cash inflow from disposal of a subsidiary	494	-
Net cash used in investing activities	<u>(2,287,172)</u>	<u>(2,670,938)</u>
Cash flows from financing activities		
Net repayment of borrowings	(361,295)	(153,489)
Dividends paid to equity holders of the Bank	(401,005)	-
Principal lease payments	(24,356)	(19,313)
Net cash used in financing activities	<u>(786,656)</u>	<u>(172,802)</u>
Net increase/(decrease) in cash and cash equivalents	5,927,189	(1,306,826)
Effects of exchange rate differences	242,116	84,667
Cash and cash equivalents:		
- at the beginning of the financial year	8,904,285	11,627,992
- at the end of the financial year	<u>15,073,590</u>	<u>10,405,833</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>15,073,590</u>	<u>10,405,833</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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Three Months Ended	
	31 March 2021	31 March 2020
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	581,405	784,090
Adjustments for:		
Allowance for credit losses on loans, advances and financing	147,631	114,827
Allowance for credit losses on other financial assets	271	(300)
Property, plant and equipment:		
- Depreciation	23,489	22,189
- Gain on disposal	(127)	(5)
Intangible assets:		
- Amortisation	25,414	25,057
Right of use assets:		
- Depreciation	12,946	13,176
Net allowance written back on financial assets at FVOCI and financial investments at amortised cost	(61)	(515)
Net gain on financial instruments	(13,942)	(42,180)
Dividend income from subsidiaries	(50,203)	(232,863)
Net modification loss	16,674	-
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	44,950	51,584
Other non-cash items	(249,131)	(416,999)
Operating profit before working capital changes	<u>539,316</u>	<u>318,061</u>
Decrease/(Increase) in operating assets:		
Deposits and placements with banks and other financial institutions	4,892,212	1,679,192
Investment accounts due from designated financial institutions	(1,085)	159,973
Financial assets at FVTPL	84,404	(110,322)
Loans, advances and financing	(500,170)	(447,348)
Other assets	780,969	(1,421,579)
Statutory deposits	(32,303)	1,571,230
	<u>5,224,027</u>	<u>1,431,146</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	1,645,627	1,024,739
Deposits and placements of banks and other financial institutions	(1,540,568)	1,640,820
Obligations on securities sold under repurchase agreements	(321,770)	858,766
Bills and acceptances payable	115,894	256,826
Other liabilities	(916,652)	194,601
Recourse obligation on loans sold to Cagamas	-	(1,265,757)
	<u>(1,017,469)</u>	<u>2,709,995</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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Three Months Ended	
	31 March 2021	31 March 2020
	RM'000	RM'000
Bank		
Cash flows from operating activities (continued)		
Cash generated from operations	4,745,874	4,459,202
Interest paid	(41,647)	(46,963)
Net tax paid	(74,107)	(42,839)
Net cash generated from operating activities	<u>4,630,120</u>	<u>4,369,400</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(1,516,730)	(2,929,246)
Property, plant and equipment:		
- Purchase	(29,073)	(35,688)
- Proceeds from disposal	127	5
Intangible assets:		
- Purchase	(49,551)	(17,192)
Interest received from financial assets at FVOCI and financial investments at amortised cost	362,036	335,583
Dividend income received from subsidiaries	50,203	232,863
Net cash used in investing activities	<u>(1,182,988)</u>	<u>(2,413,675)</u>
Cash flows from financing activities		
Net repayment of borrowings	(206,320)	(21,073)
Dividends paid to equity holders of the Bank	(401,005)	-
Principal lease payments	(22,507)	(11,872)
Net cash used in financing activities	<u>(629,832)</u>	<u>(32,945)</u>
Net increase in cash and cash equivalents	2,817,300	1,922,780
Effects of exchange rate differences	187,156	234,141
Cash and cash equivalents:		
- at the beginning of the financial year	7,905,636	5,502,893
- at the end of the financial year	<u>10,910,092</u>	<u>7,659,814</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>10,910,092</u>	<u>7,659,814</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 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A1. Basis Of Preparation

The interim financial statements are audited and have 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 2020.

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 2020, 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 2021:

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
- Amendments to MFRS 16 - COVID-19 Related Rent Concessions

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.

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2020 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 three months ended 31 March 2021.

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 three months ended 31 March 2021.

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 three months ended 31 March 2021.

A7. Dividends Paid

During the financial period ended 31 March 2021, the Bank has on 9 February 2021 paid an interim single-tier dividend of 10.00 sen per share in respect of the financial year ended 31 December 2020 amounting to RM401,005,000. This interim dividend had been accounted for in the shareholders' equity as an appropriation of retained profits as at 31 December 2020.



RHB BANK BERHAD

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A8. Interest Income

Group	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,159,332	1,435,292	1,159,332	1,435,292
Money at call and deposits and placements with banks and other financial institutions	22,721	25,743	22,721	25,743
Financial assets at FVTPL	17,888	17,384	17,888	17,384
Financial assets at FVOCI - debt instruments	286,126	307,650	286,126	307,650
Financial investments at amortised cost	95,325	111,220	95,325	111,220
Others	5,253	4,405	5,253	4,405
	1,586,645	1,901,694	1,586,645	1,901,694
Of which:				
Interest income accrued on impaired financial assets	27,621	22,741	27,621	22,741
Bank				
Loans and advances	1,073,054	1,346,484	1,073,054	1,346,484
Money at call and deposits and placements with banks and other financial institutions	42,628	55,607	42,628	55,607
Investment account due from designated financial institutions	66,319	81,797	66,319	81,797
Financial assets at FVTPL	17,865	17,381	17,865	17,381
Financial assets at FVOCI - debt instruments	280,968	300,949	280,968	300,949
Financial investments at amortised cost	83,606	98,669	83,606	98,669
Others	446	1,219	446	1,219
	1,564,886	1,902,106	1,564,886	1,902,106
Of which:				
Interest income accrued on impaired financial assets	23,543	19,425	23,543	19,425



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A9. Interest Expense

Group	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	48,950	123,803	48,950	123,803
Deposits from customers	476,797	802,580	476,797	802,580
Obligations on securities sold under repurchase agreements	2,225	6,481	2,225	6,481
Recourse obligation on loans sold to Cagamas	-	11,045	-	11,045
Subordinated obligations	19,385	24,099	19,385	24,099
Senior debt securities	26,854	25,874	26,854	25,874
Borrowings	3,539	8,125	3,539	8,125
Others	7,515	6,815	7,515	6,815
	585,265	1,008,822	585,265	1,008,822
Bank				
Deposits and placements of banks and other financial institutions	57,187	127,996	57,187	127,996
Deposits from customers	445,878	773,687	445,878	773,687
Obligations on securities sold under repurchase agreements	13,638	20,640	13,638	20,640
Recourse obligation on loans sold to Cagamas	-	11,045	-	11,045
Subordinated obligations	16,969	19,188	16,969	19,188
Senior debt securities	26,854	25,874	26,854	25,874
Borrowings	485	5,714	485	5,714
Others	6,258	5,588	6,258	5,588
	567,269	989,732	567,269	989,732



RHB BANK BERHAD

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A10. Other Operating Income

Group	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	33,795	43,533	33,795	43,533
- Commission	63,390	48,619	63,390	48,619
- Guarantee fees	6,909	8,596	6,909	8,596
- Commitment fees	10,613	10,116	10,613	10,116
- Brokerage income	139,807	69,926	139,807	69,926
- Fund management fees	70,270	64,651	70,270	64,651
- Unit trust fee income	74,639	23,753	74,639	23,753
- Corporate advisory fees	5,062	4,126	5,062	4,126
- Underwriting and arrangement fees	1,492	5,036	1,492	5,036
- Other fee income	22,649	15,797	22,649	15,797
	428,626	294,153	428,626	294,153
- Fee and commission expenses	(104,943)	(51,381)	(104,943)	(51,381)
	323,683	242,772	323,683	242,772
Net (loss)/gain arising from financial assets at FVTPL				
- Net (loss)/gain on disposal	(7,786)	6,269	(7,786)	6,269
- Unrealised net loss on revaluation	(101,693)	(88,980)	(101,693)	(88,980)
- Dividend income	15,866	14,318	15,866	14,318
	(93,613)	(68,393)	(93,613)	(68,393)
Net (loss)/gain on revaluation of derivatives	(17,317)	35,995	(17,317)	35,995
Net gain on fair value hedges	281	3,916	281	3,916
Net gain/(loss) arising from derecognition of financial investments at amortised cost	14,924	(2)	14,924	(2)
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	103,297	73,197	103,297	73,197
Other income				
Net foreign exchange gain	29,387	29,704	29,387	29,704
Insurance underwriting surplus before management expenses	55,499	52,732	55,499	52,732
Gain on disposal of property, plant and equipment	4,821	55	4,821	55
Gain on disposal of a subsidiary	752	-	752	-
Gain on modification of right of use assets	-	38	-	38
Rental income	575	279	575	279
Other operating income	5,502	4,852	5,502	4,852
Other non-operating income	9,233	14,172	9,233	14,172
	105,769	101,832	105,769	101,832
	437,024	389,317	437,024	389,317



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A10. Other Operating Income (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Bank	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	32,148	40,063	32,148	40,063
- Commission	82,241	53,195	82,241	53,195
- Guarantee fees	6,890	8,190	6,890	8,190
- Commitment fees	10,275	9,767	10,275	9,767
- Other fee income	5,169	5,286	5,169	5,286
	<u>136,723</u>	<u>116,501</u>	<u>136,723</u>	<u>116,501</u>
Net (loss)/gain arising from financial assets at FVTPL				
- Net (loss)/gain on disposal	(40,579)	72,015	(40,579)	72,015
- Unrealised net loss on revaluation	(69,175)	(79,509)	(69,175)	(79,509)
	<u>(109,754)</u>	<u>(7,494)</u>	<u>(109,754)</u>	<u>(7,494)</u>
Net gain/(loss) on revaluation of derivatives	5,246	(27,360)	5,246	(27,360)
Net gain on fair values hedges	281	3,916	281	3,916
Net gain/(loss) arising from derecognition of financial investments at amortised cost	14,924	(2)	14,924	(2)
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	103,245	73,120	103,245	73,120
Dividend income from subsidiaries	50,203	232,863	50,203	232,863
Other income				
Net foreign exchange gain	49,328	77,440	49,328	77,440
Gain on disposal of property, plant and equipment	127	5	127	5
Rental income	2,906	2,849	2,906	2,849
Other operating income	4,867	4,396	4,867	4,396
Other non-operating income	6,496	13,575	6,496	13,575
	<u>63,724</u>	<u>98,265</u>	<u>63,724</u>	<u>98,265</u>
	<u>264,592</u>	<u>489,809</u>	<u>264,592</u>	<u>489,809</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A11. Other Operating Expenses

Group	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	453,839	400,746	453,839	400,746
- Defined contribution plan	61,192	61,192	61,192	61,192
- Other staff related costs	37,298	41,880	37,298	41,880
	<u>552,329</u>	<u>503,818</u>	<u>552,329</u>	<u>503,818</u>
Establishment costs				
- Property, plant and equipment:				
- Depreciation	29,095	26,706	29,095	26,706
- Written off	399	4	399	4
- Intangible assets:				
- Amortisation	29,507	29,380	29,507	29,380
- Right of use assets:				
- Depreciation	16,995	17,514	16,995	17,514
- Rental of premises	6,680	7,814	6,680	7,814
- Rental of equipment	2,379	2,137	2,379	2,137
- Insurance	5,009	9,459	5,009	9,459
- Water and electricity	5,452	7,060	5,452	7,060
- Repair and maintenance	6,269	7,671	6,269	7,671
- Security and escorting expenses	11,688	10,918	11,688	10,918
- Information technology expenses	68,718	63,541	68,718	63,541
- Others	5,340	2,147	5,340	2,147
	<u>187,531</u>	<u>184,351</u>	<u>187,531</u>	<u>184,351</u>
Marketing expenses				
- Sales commission	32,723	22,801	32,723	22,801
- Advertisement and publicity	14,695	9,703	14,695	9,703
- Others	18,421	19,266	18,421	19,266
	<u>65,839</u>	<u>51,770</u>	<u>65,839</u>	<u>51,770</u>
Administration and general expenses				
- Communication expenses	38,921	36,567	38,921	36,567
- Legal and professional fee	8,081	7,150	8,081	7,150
- Others	32,721	33,555	32,721	33,555
	<u>79,723</u>	<u>77,272</u>	<u>79,723</u>	<u>77,272</u>
	<u><u>885,422</u></u>	<u><u>817,211</u></u>	<u><u>885,422</u></u>	<u><u>817,211</u></u>



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A11. Other Operating Expenses (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Bank	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	287,110	269,072	287,110	269,072
- Defined contribution plan	43,504	43,728	43,504	43,728
- Other staff related costs	21,482	26,145	21,482	26,145
	352,096	338,945	352,096	338,945
Establishment costs				
- Property, plant and equipment:				
- Depreciation	23,489	22,189	23,489	22,189
- Intangible assets:				
- Amortisation	25,414	25,057	25,414	25,057
- Right of use assets:				
- Depreciation	12,946	13,176	12,946	13,176
- Rental of premises	4,012	3,636	4,012	3,636
- Rental of equipment	2,357	2,130	2,357	2,130
- Insurance	5,681	9,035	5,681	9,035
- Water and electricity	3,575	4,309	3,575	4,309
- Repair and maintenance	4,457	5,750	4,457	5,750
- Security and escorting expenses	11,670	11,333	11,670	11,333
- Information technology expenses	40,994	37,375	40,994	37,375
	134,595	133,990	134,595	133,990
Marketing expenses				
- Sales commission	24,334	16,283	24,334	16,283
- Advertisement and publicity	10,952	4,380	10,952	4,380
- Others	9,103	9,309	9,103	9,309
	44,389	29,972	44,389	29,972
Administration and general expenses				
- Communication expenses	25,640	24,327	25,640	24,327
- Legal and professional fee	21,505	20,164	21,505	20,164
- Others	22,583	20,842	22,583	20,842
	69,728	65,333	69,728	65,333
	600,808	568,240	600,808	568,240



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A12. Allowance for Credit Losses on Financial Assets

Group	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	236,999	183,316	236,999	183,316
- Bad debts recovered	(89,778)	(69,866)	(89,778)	(69,866)
- Bad debts written off	32,576	37,219	32,576	37,219
	179,797	150,669	179,797	150,669
Financial assets at FVOCI	(224)	(1,430)	(224)	(1,430)
Financial investments at amortised cost	768	389	768	389
Other financial assets	(6,441)	1,118	(6,441)	1,118
	173,900	150,746	173,900	150,746

Bank

Charge/(Writeback)

Loans, advances and financing:				
- Net charge	119,669	81,908	119,669	81,908
- Bad debts recovered	(83,173)	(63,275)	(83,173)	(63,275)
- Bad debts written off	27,962	32,919	27,962	32,919
	64,458	51,552	64,458	51,552
Financial assets at FVOCI	(193)	(1,055)	(193)	(1,055)
Financial investments at amortised cost	132	540	132	540
Other financial assets	271	(300)	271	(300)
	64,668	50,737	64,668	50,737

A13. 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:

	Bank	
	As at 31 March 2021	As at 31 December 2020
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,000,000	1,000,000
Other term financing	6,771,280	6,917,534
Unquoted securities	951,106	811,775
	8,722,386	8,729,309



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED 31 MARCH 2021**

A14. Financial Assets at Fair Value Through Profit or Loss ('FVTPL')

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	408,630	656,342	408,630	656,342
Malaysian Government Investment Issues	1,583,729	1,582,566	1,471,578	1,474,888
Thailand Central Bank Bills	6,650	-	6,650	-
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	129,973	209,443	-	-
Unit trusts	65,510	69,450	-	-
Corporate bond/sukuk	3,362	3,482	3,362	3,482
Outside Malaysia				
Shares, exchange traded funds and warrants	90,601	210,408	1,463	3,400
Unit trusts	26,092	25,676	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	42,263	52,781	39,740	51,370
Unit trusts	1,003,152	1,022,686	-	-
Commercial paper	89,996	36	89,996	36
Outside Malaysia				
Corporate bond/sukuk	125,832	95,783	125,832	95,783
Private equity funds	551,577	533,453	-	-
	4,127,367	4,462,106	2,147,251	2,285,301



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A15. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI')

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
At fair value				
(a) Debt instruments	43,360,902	42,148,529	36,026,372	35,158,058
(b) Equity instruments	757,714	754,730	712,113	711,582
	44,118,616	42,903,259	36,738,485	35,869,640
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,119,802	1,906,961	1,985,016	1,768,796
Malaysian Government Investment Issues	8,303,352	8,126,745	6,730,573	6,391,365
Cagamas bonds	61,707	102,082	61,707	91,926
Khazanah bonds	48,373	48,408	-	-
Negotiable instruments of deposits	1,347,530	397,744	399,510	-
Other foreign government investment issues	120,148	54,580	120,148	54,580
Sukuk Perumahan Kerajaan	73,298	73,100	-	-
Singapore Government Securities	1,049,478	866,267	1,049,478	866,267
Thailand Government Securities	726,805	654,851	726,805	654,851
Singapore Central Bank Bills	2,124,784	2,247,864	2,124,784	2,247,864
Thailand Central Bank Bonds	86,818	86,290	86,818	86,290
Thailand Central Bank Bills	154,109	-	154,109	-
Singapore Housing Development Board	693,044	723,066	693,044	723,066
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	19,567,780	20,626,872	15,036,159	16,065,523
Perpetual notes/sukuk	50,904	51,155	50,904	51,155
Prasarana bonds	2,379,814	2,673,288	2,354,161	2,647,119
<u>Outside Malaysia</u>				
Corporate bond/sukuk	4,453,156	3,509,256	4,453,156	3,509,256
	43,360,902	42,148,529	36,026,372	35,158,058
(b) Equity instruments				
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Shares	2,288	1,922	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	755,018	752,403	712,112	711,580
<u>Outside Malaysia</u>				
Shares	408	405	1	2
	757,714	754,730	712,113	711,582

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 RM1,265,000,000 (31 December 2020: RM733,000,000) and RM1,881,000,000 (31 December 2020: RM2,088,000,000) respectively.



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A15. 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 31 March 2021 RM'000	As at 31 December 2020 RM'000
Balance as at the beginning of the financial period/year	1,020	1,020
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
31 March 2021				
Balance as at the beginning of the financial period	37,729	134	-	37,863
Allowance made during the financial period	387	-	-	387
Purchases and origination	2,393	-	-	2,393
Derecognition and disposal	(3,004)	-	-	(3,004)
Exchange differences	272	-	-	272
Balance as at the end of the financial period	<u>37,777</u>	<u>134</u>	<u>-</u>	<u>37,911</u>
31 December 2020				
Balance as at the beginning of the financial year	44,264	-	-	44,264
Transfer to lifetime ECL not credit impaired (Stage 2)	(20)	20	-	-
Allowance (written back)/made during the financial year	(3,860)	27	-	(3,833)
Purchases and origination	6,723	87	-	6,810
Derecognition and disposal	(9,341)	-	-	(9,341)
Exchange differences	(37)	-	-	(37)
Balance as at the end of the financial year	<u>37,729</u>	<u>134</u>	<u>-</u>	<u>37,863</u>



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A15. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI') (continued)

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

Bank	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
31 March 2021				
Balance as at the beginning of the financial period	35,723	134	-	35,857
Allowance made during the financial period	439	-	-	439
Purchases and origination	2,134	-	-	2,134
Derecognition and disposal	(2,766)	-	-	(2,766)
Exchange differences	272	-	-	272
Balance as at the end of the financial period	<u>35,802</u>	<u>134</u>	<u>-</u>	<u>35,936</u>
31 December 2020				
Balance as at the beginning of the financial year	41,865	-	-	41,865
Transfer to lifetime ECL not credit impaired (Stage 2)	(20)	20	-	-
Allowance (written back)/made during the financial year	(3,712)	27	-	(3,685)
Purchases and origination	5,797	87	-	5,884
Derecognition and disposal	(8,170)	-	-	(8,170)
Exchange differences	(37)	-	-	(37)
Balance as at the end of the financial year	<u>35,723</u>	<u>134</u>	<u>-</u>	<u>35,857</u>



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A16. Financial Investments at Amortised Cost

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	604,836	427,341	512,868	334,463
Malaysian Government Investment Issues	2,633,972	2,816,735	1,815,624	2,058,384
Cagamas bonds	479,235	477,050	479,235	477,050
Khazanah bonds	154,570	198,175	20,191	39,958
Wakala Global Sukuk	29,406	28,928	21,006	20,666
Sukuk Perumahan Kerajaan	111,084	111,014	100,958	100,983
Singapore Government Treasury Bills	645,918	577,258	645,918	577,258
Sukuk (Brunei) Incorporation	36,996	30,411	36,996	30,411
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	11,527,648	11,181,082	6,179,826	6,413,420
Corporate loan stocks	25,853	25,853	-	-
Prasarana bonds	510,629	503,129	439,977	432,329
	16,760,147	16,376,976	10,252,599	10,484,922
Allowance for credit losses	(423,236)	(371,709)	(339,801)	(288,929)
	16,336,911	16,005,267	9,912,798	10,195,993

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 RM193,000,000 (31 December 2020: RM224,000,000) and RM2,413,000,000 (31 December 2020: RM2,571,000,000) respectively.

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

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Balance as at the beginning of the financial period/year	140,252	140,425	62,805	62,978
Derecognition	-	(38)	-	(38)
Exchange differences	244	(135)	244	(135)
Balance as at the end of the financial period/year	140,496	140,252	63,049	62,805



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A16. 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
31 March 2021				
Balance as at the beginning of the financial period	11,871	220,148	139,690	371,709
Allowance written back during the financial period	(36)	(45)	-	(81)
Purchases and origination	1,194	-	-	1,194
Derecognition	(333)	(12)	-	(345)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	19	-	244	263
Balance as at the end of the financial period	<u>12,715</u>	<u>270,587</u>	<u>139,934</u>	<u>423,236</u>
31 December 2020				
Balance as at the beginning of the financial year	23,081	149,285	139,863	312,229
Allowance made/(written back) during the financial year	(11,371)	70,917	(38)	59,508
Purchases and origination	5,923	135	-	6,058
Derecognition	(5,753)	(189)	-	(5,942)
Exchange differences	(9)	-	(135)	(144)
Balance as at the end of the financial year	<u>11,871</u>	<u>220,148</u>	<u>139,690</u>	<u>371,709</u>
Bank				
31 March 2021				
Balance as at the beginning of the financial period	6,674	220,013	62,242	288,929
Allowance written back during the financial period	(74)	-	-	(74)
Purchases and origination	538	-	-	538
Derecognition	(332)	-	-	(332)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	-	-	244	244
Balance as at the end of the financial period	<u>6,806</u>	<u>270,509</u>	<u>62,486</u>	<u>339,801</u>
31 December 2020				
Balance as at the beginning of the financial year	16,970	149,096	62,415	228,481
Allowance made/(written back) during the financial year	(10,355)	70,917	(38)	60,524
Purchases and origination	2,028	-	-	2,028
Derecognition	(1,969)	-	-	(1,969)
Exchange differences	-	-	(135)	(135)
Balance as at the end of the financial year	<u>6,674</u>	<u>220,013</u>	<u>62,242</u>	<u>288,929</u>



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
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A17. Loans, Advances and Financing

(a) By type

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
At amortised cost				
Overdrafts	5,596,432	5,591,112	4,311,493	4,414,180
Term loans/financing				
- Housing loans/financing	66,889,596	65,651,613	44,407,363	44,045,052
- Syndicated term loans/financing	9,981,170	9,903,531	5,850,922	5,613,808
- Hire purchase receivables/financing	9,707,122	9,614,361	919,497	1,015,862
- Other term loans/financing	73,848,273	72,633,606	41,512,546	41,164,003
Bills receivables	3,614,148	3,765,638	3,390,621	3,378,674
Trust receipts	625,997	562,226	593,033	525,147
Claims on customers under acceptance credits	4,011,745	3,699,294	3,122,673	2,934,996
Share margin financing	2,182,352	2,185,523	342,212	356,465
Staff loans/financing	105,463	108,452	94,065	97,201
Credit/charge card receivables	1,945,217	2,021,947	1,677,223	1,747,981
Revolving credits/financing	9,685,779	10,376,209	6,697,460	7,116,639
Gross loans, advances and financing	188,193,294	186,113,512	112,919,108	112,410,008
Fair value changes arising from fair value hedges	27,842	117,725	5,187	8,681
	188,221,136	186,231,237	112,924,295	112,418,689
Less: Allowance for credit losses	(3,738,346)	(3,806,358)	(2,902,034)	(2,903,505)
Net loans, advances and financing	184,482,790	182,424,879	110,022,261	109,515,184

Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group amounting to RM1,931,819,000 (31 December 2020: RM2,896,091,000).



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A17. Loans, Advances and Financing (continued)

(b) By type of customer

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Domestic non-bank financial institutions	3,868,173	4,028,623	567,647	710,488
Domestic business enterprises:				
- Small medium enterprises	28,337,851	28,122,412	22,398,119	22,614,690
- Others	28,814,712	28,960,697	14,834,747	14,938,302
Government and statutory bodies	6,551,653	6,512,428	62,015	65,260
Individuals	95,619,972	95,182,250	55,045,714	55,495,220
Other domestic entities	154,314	149,412	28,686	27,685
Foreign entities	24,846,619	23,157,690	19,982,180	18,558,363
	188,193,294	186,113,512	112,919,108	112,410,008

(c) By geographical distribution

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Malaysia	164,548,440	163,801,243	94,324,780	95,236,486
Labuan Offshore	2,064,361	2,321,773	-	-
Singapore	17,050,885	15,567,576	17,050,885	15,567,576
Thailand	1,557,679	1,548,312	1,350,433	1,433,375
Brunei	193,010	172,571	193,010	172,571
Indonesia	148,351	188,983	-	-
Cambodia	2,477,394	2,353,437	-	-
Lao	153,174	159,617	-	-
	188,193,294	186,113,512	112,919,108	112,410,008



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A17. Loans, Advances and Financing (continued)

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Fixed rate				
- Housing loans/financing	107,557	107,350	86,872	87,334
- Hire purchase receivables/financing	2,430,800	2,559,984	919,497	1,015,862
- Other fixed rate loans/financing	21,346,930	21,721,680	9,090,225	9,035,344
Variable rate				
- Base lending/financing rate plus	106,949,442	105,332,857	69,081,446	68,875,787
- Cost-plus	46,385,079	46,787,748	24,948,515	25,523,231
- Other variable rates	10,973,486	9,603,893	8,792,553	7,872,450
	188,193,294	186,113,512	112,919,108	112,410,008

(e) By economic sector

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	3,408,316	3,500,827	1,849,280	1,967,721
Mining and quarrying	449,267	565,203	195,712	258,361
Manufacturing	9,686,826	9,717,560	7,176,117	7,143,108
Electricity, gas and water	1,437,135	1,734,819	1,123,270	1,362,272
Construction	13,296,856	13,318,314	8,267,358	8,121,305
Wholesale and retail trade and restaurant and hotel	18,443,996	17,874,802	15,339,448	14,876,841
Transport, storage and communication	7,358,247	7,410,118	1,861,125	1,929,825
Finance, insurance, real estate and business services	22,466,840	21,491,620	15,408,695	14,896,692
Government and government agencies	3,535,985	3,497,372	62,015	65,260
Education, health and others	6,272,513	6,099,353	2,181,666	2,019,308
Household sector	100,948,916	100,026,690	59,083,485	59,403,172
Others	888,397	876,834	370,937	366,143
	188,193,294	186,113,512	112,919,108	112,410,008



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A17. Loans, Advances and Financing (continued)

(f) By purpose

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Purchase of securities	11,651,900	12,046,734	4,376,751	4,794,695
Purchase of transport vehicles	9,383,484	9,248,129	570,148	628,177
Purchase of landed property:				
- Residential	65,124,753	63,791,998	43,804,488	43,335,901
- Non-residential	19,607,233	19,503,376	13,669,217	13,792,771
Purchase of property, plant and equipment other than land and building	2,567,471	2,570,144	1,825,418	1,847,838
Personal use	10,831,021	11,063,576	6,192,896	6,456,314
Credit card	1,945,217	2,021,947	1,677,223	1,747,981
Purchase of consumer durables	11,587	12,014	11,587	12,014
Construction	7,828,602	7,704,997	6,214,218	6,051,960
Working capital	43,327,327	42,705,757	26,515,567	26,195,745
Merger and acquisition	1,693,471	1,804,322	378,603	489,461
Other purposes	14,221,228	13,640,518	7,682,992	7,057,151
	188,193,294	186,113,512	112,919,108	112,410,008

(g) By remaining contractual maturities

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Maturity within one year	40,490,904	41,798,823	31,372,841	32,547,239
One year to three years	8,591,065	8,390,912	3,506,241	3,420,980
Three years to five years	14,844,057	13,464,779	7,088,971	5,759,252
Over five years	124,267,268	122,458,998	70,951,055	70,682,537
	188,193,294	186,113,512	112,919,108	112,410,008



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A17. Loans, Advances and Financing (continued)

(h) Impaired loans, advances and financing

(i) Movement in impaired loans, advances
and financing

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Balance as at the beginning of the financial period/year	3,181,282	3,479,175	2,354,397	2,623,781
Transfer to 12-month ECL (Stage 1)	(33,134)	(81,820)	(24,919)	(61,711)
Transfer to lifetime ECL not credit impaired (Stage 2)	(135,525)	(285,113)	(94,165)	(242,488)
Transfer to lifetime ECL credit impaired (Stage 3)	496,687	757,571	337,475	559,554
Purchases and origination	89,477	453,405	78,187	297,792
Derecognition	(187,094)	(581,479)	(98,861)	(393,580)
Amount written off	(307,020)	(548,226)	(107,554)	(426,865)
Modification of contractual cash flow	(83)	(1,308)	(72)	(1,069)
Disposal of a subsidiary	-	(1,874)	-	-
Exchange differences	22,669	(9,049)	10,980	(1,017)
Balance as at the end of the financial period/year	<u>3,127,259</u>	<u>3,181,282</u>	<u>2,455,468</u>	<u>2,354,397</u>

(ii) By economic sector

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	43,925	49,306	35,088	40,740
Mining and quarrying	24,728	196,348	4,462	4,518
Manufacturing	414,543	405,332	302,525	296,285
Electricity, gas and water	261,382	258,065	257,275	253,821
Construction	334,003	334,416	287,671	286,425
Wholesale and retail trade and restaurant and hotel	323,389	311,533	222,449	205,386
Transport, storage and communication	401,369	351,259	385,092	336,673
Finance, insurance, real estate and business services	257,650	248,228	216,352	214,185
Education, health and others	11,249	11,878	4,868	2,324
Household sector	1,028,311	988,055	736,092	710,475
Others	26,710	26,862	3,594	3,565
	<u>3,127,259</u>	<u>3,181,282</u>	<u>2,455,468</u>	<u>2,354,397</u>



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A17. Loans, Advances and Financing (continued)

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

(iii) By purpose

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Purchase of securities	36,566	35,392	24,380	25,048
Purchase of transport vehicles	57,852	66,693	13,550	14,979
Purchase of landed property:				
- Residential	675,306	648,636	467,922	454,832
- Non-residential	430,009	379,793	318,194	273,214
Purchase of property, plant and equipment other than land and building	27,974	28,109	23,615	24,187
Personal use	188,025	191,429	173,547	183,944
Credit card	36,233	27,229	31,811	23,619
Purchase of consumer durables	762	885	762	885
Construction	102,303	97,811	71,054	70,838
Working capital	1,430,778	1,557,327	1,244,898	1,191,595
Other purposes	141,451	147,978	85,735	91,256
	3,127,259	3,181,282	2,455,468	2,354,397

(iv) By geographical distribution

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Malaysia	2,045,806	1,968,795	1,600,162	1,533,431
Labuan Offshore	96,047	265,901	-	-
Singapore	794,717	761,963	794,717	761,963
Thailand	62,922	61,364	53,922	52,413
Brunei	6,667	6,590	6,667	6,590
Indonesia	1,086	716	-	-
Cambodia	113,694	103,851	-	-
Lao	6,320	12,102	-	-
	3,127,259	3,181,282	2,455,468	2,354,397



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A17. Loans, Advances and Financing (continued)

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

(v) 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
31 March 2021				
Balance as at the beginning of the financial period	812,037	1,385,283	1,609,038	3,806,358
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	114,502	(106,537)	(7,965)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(64,536)	108,978	(44,442)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(2,868)	(58,606)	61,474	-
	47,098	(56,165)	9,067	-
Allowance made during the financial period	45,711	124,518	180,698	350,927
Bad debts written off	-	-	(275,114)	(275,114)
Derecognition	(14,776)	(45,480)	(53,672)	(113,928)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Exchange differences	2,205	5,269	13,125	20,599
Balance as at the end of the financial period	892,275	1,362,929	1,483,142	3,738,346
31 December 2020				
Balance as at the beginning of the financial year	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)	179,319	(156,045)	(23,274)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(45,425)	93,250	(47,825)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(3,267)	(38,185)	41,452	-
	130,627	(100,980)	(29,647)	-
Allowance made during the financial year	198,306	691,376	611,623	1,501,305
Bad debts written off	-	-	(377,862)	(377,862)
Derecognition	(83,571)	(68,327)	(141,724)	(293,622)
Disposal of a subsidiary	-	-	(1,560)	(1,560)
Exchange differences	(420)	(837)	(728)	(1,985)
Balance as at the end of the financial year	812,037	1,385,283	1,609,038	3,806,358



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A17. Loans, Advances and Financing (continued)

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

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

Bank	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
31 March 2021				
Balance as at the beginning of the financial period	638,222	1,037,670	1,227,613	2,903,505
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	84,017	(78,466)	(5,551)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(52,918)	83,367	(30,449)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(2,760)	(51,572)	54,332	-
	28,339	(46,671)	18,332	-
Allowance made/(written back) during the financial period	(20,116)	80,557	132,150	192,591
Bad debts written off	-	-	(80,379)	(80,379)
Derecognition	(12,230)	(20,785)	(39,907)	(72,922)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Exchange differences	1,767	1,216	6,752	9,735
Balance as at the end of the financial period	635,982	1,001,491	1,264,561	2,902,034
31 December 2020				
Balance as at the beginning of the financial year	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)	148,967	(130,984)	(17,983)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(34,802)	69,675	(34,873)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(2,984)	(34,081)	37,065	-
	111,181	(95,390)	(15,791)	-
Allowance made during the financial year	274,086	392,238	457,683	1,124,007
Bad debts written off	-	-	(285,614)	(285,614)
Derecognition	(70,641)	(62,068)	(107,089)	(239,798)
Exchange differences	(446)	126	(666)	(986)
Balance as at the end of the financial year	638,222	1,037,670	1,227,613	2,903,505



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A18. Other Assets

	Group		Bank	
	As at 31 March 2021	As at 31 December 2020	As at 31 March 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Other receivables	1,013,500	920,774	514,773	454,334
Cash collateral in relation to derivative transactions	351,023	407,594	351,023	407,594
Deposits	43,661	43,477	31,021	30,637
Prepayments	165,811	120,392	106,608	67,678
Amount receivable for release of units from funds	355,244	36,355	-	-
Amounts due from subsidiaries	-	-	139,829	317,805
	1,929,239	1,528,592	1,143,254	1,278,048



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A19. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Demand deposits	52,579,856	49,511,159	41,635,511	41,522,937
Savings deposits	14,179,251	13,267,557	11,608,859	10,913,587
Fixed/investment deposits	150,882,582	140,273,598	82,480,262	81,455,981
Negotiable instruments of deposits	357,389	418,469	357,389	418,469
	217,999,078	203,470,783	136,082,021	134,310,974

(b) By type of customer

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Government and statutory bodies	20,353,560	20,183,118	6,300,189	6,656,689
Business enterprises	115,522,865	103,449,050	76,276,456	70,758,550
Individuals	74,872,800	72,922,998	46,984,153	50,626,789
Others	7,249,853	6,915,617	6,521,223	6,268,946
	217,999,078	203,470,783	136,082,021	134,310,974

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

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Due within six months	114,487,130	105,692,228	64,563,428	63,247,679
Six months to one year	35,130,269	32,833,137	17,703,833	17,843,488
One year to three years	1,582,273	1,625,159	554,818	657,610
Three years to five years	40,299	541,543	15,572	125,673
	151,239,971	140,692,067	82,837,651	81,874,450



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A20. Deposits and Placements of Banks and Other Financial Institutions

	Note	Group		Bank	
		As at	As at	As at	As at
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Licensed banks		14,184,653	16,933,907	19,890,428	20,834,955
Licensed Islamic banks		598,069	948,447	907	1,307
Licensed investment banks		500,355	947,073	512,749	1,712,484
BNM/Other central banks	(a)	2,677,087	1,983,092	2,546,433	1,861,342
Other financial institutions		395,657	222,667	372,807	200,523
		18,355,821	21,035,186	23,323,324	24,610,611

(a) 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 period ranging between two to nine years.

A21. Investment Account Due To Designated Financial Institutions

	Group	
	As at	As at
	31 March	31 December
	2021	2020
	RM'000	RM'000
<u>Restricted Investment Account:</u>		
Mudharabah	348,886	-
<u>By type of counterparty:</u>		
Licensed banks	348,886	-
<u>Investment asset (principal):</u>		
Unquoted securities	348,886	-



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A22. Other Liabilities

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Other creditors and accruals	1,012,084	1,304,456	555,109	504,368
Amount payable for redemption units	422,444	58,430	-	-
Contract liabilities	232,199	244,711	78,750	84,000
Short term employee benefits	173,921	389,914	143,935	298,803
Accrual for operational expenses	222,511	220,404	173,241	171,107
Prepaid instalments	27,454	29,946	27,454	29,946
Cash collateral pledged for derivative transactions	164,025	428,280	164,025	428,280
Structured deposits	570,948	356,712	570,948	356,712
Remisiers' trust deposits	97,137	92,060	-	-
Dividend payable	-	401,005	-	401,005
Amount due to trust funds	70,632	296,396	-	-
Amounts due to subsidiaries	-	-	348,163	13,151
	2,993,355	3,822,314	2,061,625	2,287,372



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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.

Pursuant to the Group's internal management reporting framework and the change in revenue sharing for certain treasury related products, the Group has restated the related corresponding segment information arising from the following:

- (i) The Group's Asset Management business is now streamlined under 'Group Investment Banking' from 'Group Retail Banking' previously; and
- (ii) Revenue sharing for certain treasury related products is now allocated to respective business segments from Group Treasury and Global Markets to adequately recognise and reward the efforts of respective business segment in the value chain.

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.

(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:

- (a) facilities for equity share trading in local and foreign markets, share margin financing, futures broking products and services and custodian and nominee services under the investment banking group; and
- (b) asset management business that focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.



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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):

(c) Group Wholesale Banking (continued)

(i) Group Corporate Banking and Group Investment Banking (continued)

In 2020, the Group has ceased its stockbroking business in Singapore pursuant to the disposal of RHB Securities Singapore Pte Ltd ('RHBSS') and the capital market business in Singapore was transferred to the Bank (Singapore Branch) which is now grouped under 'Group International Business'. The cessation of the operations of RHBSS has been accounted for as discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

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.

(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.



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A23. Segmental Reporting (continued)

Three months ended 31 March 2021

	Continuing Operations							Total RM'000
	← GWB →			Group Treasury and Global Markets RM'000	Group International Business RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	
	Group Retail Banking RM'000	Group Business Banking RM'000	Group CBIB RM'000					
External revenue	689,736	294,369	425,659	379,494	164,430	(30,411)	-	1,923,277
Inter-segment revenue	-	-	11,551	(3,246)	277	8,520	(17,102)	-
Segment revenue	689,736	294,369	437,210	376,248	164,707	(21,891)	(17,102)	1,923,277
Other operating expenses	(331,265)	(163,231)	(178,128)	(43,313)	(111,127)	(75,460)	17,102	(885,422)
Including:								
- Depreciation of property, plant and equipment	(14,489)	(4,821)	(4,163)	(676)	(4,368)	(578)	-	(29,095)
- Depreciation of right of use assets	(4,922)	(3,708)	(3,941)	(216)	(4,023)	(185)	-	(16,995)
- Amortisation of intangible assets	(12,484)	(8,021)	(4,003)	(955)	(3,159)	(885)	-	(29,507)
Allowance for credit losses on financial assets	(38,260)	(71,411)	(40,553)	(572)	(15,997)	(7,107)	-	(173,900)
Segment profit/(loss)	320,211	59,727	218,529	332,363	37,583	(104,458)	-	863,955
Share of results of joint venture								-
Profit before taxation and zakat								863,955
Taxation and zakat								(213,327)
Net profit for the financial period								650,628



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A23. Segmental Reporting (continued)

As at 31 March 2021

	←— 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	95,278,194	29,088,981	50,168,146	66,941,937	34,373,606	2,674,092	278,524,956
Investments in associates and joint venture							12
Tax recoverable							280,748
Deferred tax assets							190,420
Unallocated assets							1,516,850
Total assets							<u>280,512,986</u>
Segment liabilities	69,057,625	35,251,058	66,791,245	43,887,765	28,893,426	1,458,993	245,340,112
Provision for taxation and zakat							104,178
Deferred tax liabilities							3,342
Borrowings							295,130
Senior debt securities							3,648,476
Subordinated obligations							2,728,158
Unallocated liabilities							1,682,923
Total liabilities							<u>253,802,319</u>



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A23. Segmental Reporting (continued)

Three months ended 31 March 2020

	Continuing Operations							Discontinued Operation	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	655,239	296,207	382,900	251,995	150,136	(7,230)	-	1,729,247	15,931	1,745,178
Inter-segment revenue	-	-	677	4,142	446	7,897	(13,162)	-	-	-
Segment revenue	655,239	296,207	383,577	256,137	150,582	667	(13,162)	1,729,247	15,931	1,745,178
Other operating expenses	(314,445)	(153,914)	(183,178)	(40,747)	(103,451)	(34,638)	13,162	(817,211)	(24,276)	(841,487)
Including:										
- Depreciation of property, plant and equipment	(14,325)	(3,595)	(3,631)	(850)	(3,738)	(567)	-	(26,706)	(738)	(27,444)
- Depreciation of right of use assets	(5,029)	(3,620)	(3,797)	(104)	(3,911)	(1,053)	-	(17,514)	(1,412)	(18,926)
- Amortisation of intangible assets	(13,400)	(6,593)	(4,688)	(1,108)	(2,766)	(825)	-	(29,380)	(540)	(29,920)
Allowance for credit losses on financial assets	(59,583)	(24,870)	(35,159)	1,637	(34,935)	2,164	-	(150,746)	(681)	(151,427)
Segment profit/(loss)	281,211	117,423	165,240	217,027	12,196	(31,807)	-	761,290	(9,026)	752,264
Share of results of joint venture								-	-	-
Profit before taxation and zakat								761,290	(9,026)	752,264
Taxation and zakat								(180,239)	135	(180,104)
Net profit for the financial period								581,051	(8,891)	572,160



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A23. Segmental Reporting (continued)

As at 31 December 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	94,369,731	28,507,682	49,341,855	62,251,352	32,182,559	2,954,910	269,608,089
Investments in associates and joint venture							12
Tax recoverable							289,969
Deferred tax assets							35,338
Unallocated assets							1,216,550
Total assets							<u>271,149,958</u>
Segment liabilities	66,719,504	34,410,579	60,595,179	44,867,638	26,619,204	1,582,783	234,794,887
Provision for taxation and zakat							69,623
Deferred tax liabilities							165,938
Borrowings							634,630
Senior debt securities							3,545,150
Subordinated obligations							2,718,729
Unallocated liabilities							2,164,437
Total liabilities							<u>244,093,394</u>



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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 and in Note B6(b):

(a) Capital repayment from RHB Investment Bank Berhad ('RHB Investment Bank')

Pursuant to Section 119(4) of the Companies Act 2016 ('CA 2016'), the Companies Commission of Malaysia has issued a notice to RHB Investment Bank on 2 April 2021 confirming that all the requirements of CA 2016 with respect to the reduction of share capital have been complied with. Accordingly, effective on 2 April 2021, the reduction of the issued and paid-up ordinary share capital of RHB Investment Bank is effected by way of:

- (i) cancellation of 20,000,000 ordinary shares in RHB Investment Bank which are held by the Bank resulting in the total number of issued ordinary shares in RHB Investment Bank being reduced from 100,000,000 ordinary shares to 80,000,000 ordinary shares; and
- (ii) reduction of RHB Investment Bank's share capital from RM1,487,773,000 to RM1,220,000,000 by repaying the surplus capital of the amount of RM267,773,000 to the Bank.

(b) The Bank had on 28 April 2021 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 3.65% 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 three months ended 31 March 2021 other than the following:

- (a) RHB International Trust (L) Ltd ('RHBIT') ceased to be an indirect wholly-owned subsidiary of the Bank with effect from 11 March 2021 following the disposal by RHB Bank (L) Ltd ('RHBBL') as further disclosed in Note B10. Prior to the completion of the disposal of RHBIT, RHBBL has on 1 March 2021, completed the acquisition of the entire equity interest of RHB Corporate Services Sdn Bhd ('RHBCS') from RHBIT for a cash consideration of RM470,041 (equivalent to USD115,396); and
- (b) RHB Finance Hong Kong Limited, an indirect wholly-owned subsidiary of the Bank, has been dissolved upon its deregistration as a legal entity on 17 March 2021 pursuant to Section 751 of The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong, as further disclosed in Note B6(a).



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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 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Direct credit substitutes	1,189,223	1,219,814	1,188,572	1,219,050
Transaction-related contingent items	2,620,172	3,202,339	2,276,026	2,865,660
Short term self-liquidating trade-related contingencies	1,204,582	903,594	1,119,143	895,540
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	4,891,532	4,915,427	4,953,315	5,223,433
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	255,615	5,843	255,425	-
Irrevocable commitments to extend credit				
- Maturity less than one year	1,673,412	1,727,065	603,272	594,618
- Maturity more than one year	30,298,293	29,238,089	20,239,767	19,585,676
Foreign exchange related contracts [^]				
- Less than one year	54,109,094	55,476,927	54,865,287	58,071,384
- One year to less than five years	3,460,834	3,397,368	3,564,462	3,497,906
- More than five years	787,353	1,141,832	787,353	1,141,832
Commodity related contracts [^]				
- Less than one year	94,900	374,040	94,900	374,040
- One year to less than five years	160,244	181,225	160,244	181,225
Equity related contracts [^]				
- Less than one year	711,120	451,701	735,392	458,784
Interest rate related contracts [^]				
- Less than one year	7,990,613	8,933,780	10,890,613	12,453,887
- One year to less than five years	24,513,128	20,627,991	26,513,128	22,292,883
- More than five years	8,884,091	9,470,841	10,684,091	11,585,841
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	16,720,384	16,212,542	14,226,369	13,805,758
	159,564,590	157,480,418	153,157,359	154,247,517

[^] 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.



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

(b) Guarantees Issued by the Group and the Bank

	Group	
	As at 31 March 2021	As at 31 December 2020
	RM'000	RM'000
Corporate guarantee issued in favour of the Stock Exchange of Thailand in relation to a derivative warrant programme of a subsidiary	-	16

The Group and the Bank has given a continuing guarantee to Labuan 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.

(c) Contingent Liabilities

As at 31 March 2021, the Group has contingent liabilities amounting to approximately RM77 million in respect of litigation. As the cases are still preliminary and the reliable exposure cannot be estimated, no provision is recognised in the financial statements.

A28. Capital Commitments

	Group		Bank	
	As at 31 March 2021	As at 31 December 2020	As at 31 March 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for:				
- Property, plant and equipment	285,010	206,086	257,788	182,260
- Investment securities	12,468	13,266	-	-
	297,478	219,352	257,788	182,260



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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 [@]	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	6,994,103	6,994,103	6,994,103	6,994,103
Retained profits	17,284,547	17,339,102	13,660,680	13,660,680
Other reserves	680,156	556,644	499,630	444,776
FVOCI reserves	739,612	1,817,650	655,714	1,541,980
	25,698,418	26,707,499	21,810,127	22,641,539
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(549,711)	(533,609)	(499,638)	(487,937)
Deferred tax assets	(334,015)	(352,107)	(233,142)	(247,523)
55% of cumulative gains arising from change in value of FVOCI instruments	(406,787)	(999,707)	(360,643)	(848,089)
Investments in subsidiaries	(102,425)	(102,425)	(4,701,080)	(4,701,080)
Investments in associates and joint venture	(12)	(12)	-	-
Other deductions [#]	(11,309)	(19,504)	(12,099)	(21,261)
Total CET I Capital	21,655,961	22,061,937	14,288,612	14,620,736
Qualifying non-controlling interests recognised as Tier I Capital	168	210	-	-
Total Tier I Capital	21,656,129	22,062,147	14,288,612	14,620,736
Tier II Capital				
Subordinated obligations meeting all relevant criteria	1,749,332	1,749,531	1,749,332	1,749,531
Qualifying capital instruments of a subsidiary issued to third parties ⁺	498,220	465,001	-	-
Surplus eligible provisions over expected losses	542,292	538,079	401,024	401,269
General provisions [^]	176,048	179,727	88,305	85,599
Investment in capital instrument of financial and insurance/takaful entities	-	-	(80,453)	-
Total Tier II Capital	2,965,892	2,932,338	2,158,208	2,236,399
Total Capital	24,622,021	24,994,485	16,446,820	16,857,135



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A29. Capital Adequacy Ratio (continued)

	Group		Bank [@]	
	As at 31 March 2021	As at 31 December 2020	As at 31 March 2021	As at 31 December 2020
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	15.807%	16.416%	14.628%	14.945%
Tier I Capital Ratio	15.807%	16.416%	14.628%	14.945%
Total Capital Ratio	17.972%	18.598%	16.838%	17.231%
After proposed dividends*:				
CET I Capital Ratio	15.583%	16.188%	14.314%	14.632%
Tier I Capital Ratio	15.583%	16.188%	14.314%	14.632%
Total Capital Ratio	17.748%	18.370%	16.523%	16.918%

[@] 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.

[#] 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.

⁺ 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.

[^] 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 of RM16,220,000 (31 December 2020: RM12,200,000).

^{*} With the implementation of the Proposed DRP (as disclosed in Note B6(b)), the amount of dividend to be deducted from the Group and the Bank's CET I Capital may be reduced by the portion of dividend reinvested by the shareholders. This will correspondingly increase the Group and the Bank capital ratios.



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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 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,487,773	1,487,773
Retained profits	2,827,058	2,896,031	329,554	331,261
FVOCI reserves	34,394	224,848	43,049	47,839
	4,534,876	4,794,303	1,860,376	1,866,873
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(719,650)	(720,426)
Intangible assets (include associated deferred tax liabilities)	(2,477)	(2,767)	(26,055)	(24,296)
Deferred tax assets	(78,656)	(78,167)	(7,442)	(17,985)
55% of cumulative gains arising from change in value of FVOCI instruments	(18,917)	(123,666)	(23,677)	(26,311)
Other deductions [#]	(913)	(2,643)	(15)	-
Total CET I Capital/Tier I Capital	4,433,913	4,587,060	711,142	705,460
Tier II Capital				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	200,000	200,000
Surplus eligible provisions over expected losses	141,455	137,002	-	-
General provisions [^]	80,390	69,026	8,048	9,921
Total Tier II Capital	971,845	956,028	208,048	209,921
Total Capital	5,405,758	5,543,088	919,190	915,381
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	13.505%	14.877%	40.286%	36.116%
Tier I Capital Ratio	13.505%	14.877%	40.286%	36.116%
Total Capital Ratio	16.465%	17.977%	52.071%	46.862%
After proposed dividends:				
CET I Capital Ratio	13.505%	14.714%	40.286%	36.116%
Tier I Capital Ratio	13.505%	14.714%	40.286%	36.116%
Total Capital Ratio	16.465%	17.815%	52.071%	46.862%



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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 RM67,433,000 (31 December 2020: RM54,526,000) and RM8,019,000 (31 December 2020: RM9,903,000) respectively.

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

	Group	Bank[@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	RM'000	RM'000
31 March 2021				
Credit risk	120,579,818	85,737,678	30,006,955	643,811
Market risk	3,693,238	3,246,383	149,719	225,633
Operational risk	12,729,667	8,695,360	2,291,031	895,812
Additional risk-weighted assets due to capital floor	-	-	384,334	-
Total risk-weighted assets	<u>137,002,723</u>	<u>97,679,421</u>	<u>32,832,039</u>	<u>1,765,256</u>
31 December 2020				
Credit risk	117,398,841	85,311,553	28,355,786	793,669
Market risk	4,314,070	3,783,371	210,344	300,706
Operational risk	12,677,517	8,734,782	2,223,938	858,966
Additional risk-weighted assets due to capital floor	-	-	43,510	-
Total risk-weighted assets	<u>134,390,428</u>	<u>97,829,706</u>	<u>30,833,578</u>	<u>1,953,341</u>

[@] 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.



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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:

	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Before proposed dividends:		
Solvency ratio	16.219%	18.819%
After proposed dividends:		
Solvency ratio	16.219%	18.819%

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%.



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A30. Operations of Islamic Banking

(a) Statement of Financial Position as at 31 March 2021

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
ASSETS				
Cash and short-term funds	4,398,230	2,259,802	-	-
Deposits and placements with banks and other financial institutions	4,413,813	2,410,219	-	-
Financial assets at FVTPL	112,151	107,678	-	-
Financial assets at FVOCI	6,795,550	6,409,937	-	-
Financial investments at amortised cost	5,183,794	4,577,078	-	-
Financing and advances	69,326,529	67,675,470	999,223	996,810
Other assets	538,632	417,837	106,501	96,937
Derivative assets	61,189	6,573	-	-
Statutory deposits	35,000	12,000	-	-
Deferred tax assets	67,203	6,794	-	-
Right of use assets	4,019	4,750	-	-
Property, plant and equipment	3,591	3,944	-	-
Intangible assets	3,069	3,133	-	-
Total assets	90,942,770	83,895,215	1,105,724	1,093,747
LIABILITIES				
Deposits from customers	71,324,333	60,830,175	-	-
Deposits and placements of banks and other financial institutions	2,949,437	2,879,907	1,046,310	1,032,244
Investment account due to designated financial institutions	348,886	-	-	-
Bills and acceptances payable	11,138	12,182	-	-
Other liabilities	303,526	526,778	-	-
Derivative liabilities	34,983	193,402	-	-
Recourse obligation on financing sold to Cagamas	2,030,303	3,023,760	-	-
Provision for taxation and zakat	88,695	52,548	-	-
Lease liabilities	4,311	4,840	-	-
Subordinated obligations	762,848	754,514	-	-
Total liabilities	77,858,460	68,278,106	1,046,310	1,032,244
Islamic Banking Funds	13,084,310	15,617,109	59,414	61,503
Total liabilities and Islamic Banking Funds	90,942,770	83,895,215	1,105,724	1,093,747
Commitments and contingencies	18,385,613	18,555,062	41,485	36,157



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A30. Operations of Islamic Banking (continued)

(b) Income Statement for the Three Months Ended 31 March 2021

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	707,289	723,954	707,289	723,954
Income derived from investment account funds	85,294	103,258	85,294	103,258
Income derived from investment of shareholders' funds	88,782	95,665	88,782	95,665
Net modification loss	(20,597)	-	(20,597)	-
Allowance for credit losses	(35,932)	(35,752)	(35,932)	(35,752)
Total distributable income	824,836	887,125	824,836	887,125
Income attributable to depositors	(359,221)	(475,819)	(359,221)	(475,819)
	465,615	411,306	465,615	411,306
Personnel expenses	(7,846)	(7,675)	(7,846)	(7,675)
Other overheads and expenditures	(99,066)	(88,398)	(99,066)	(88,398)
Profit before taxation and zakat	358,703	315,233	358,703	315,233
Taxation and zakat	(62,715)	(43,491)	(62,715)	(43,491)
Net profit for the financial period	295,988	271,742	295,988	271,742

Statement of Comprehensive Income for the Three Months Ended 31 March 2021

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	295,988	271,742	295,988	271,742
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 loss	(214,133)	(24,540)	(214,133)	(24,540)
- Net transfer to income statement on disposal	(36,464)	(7,524)	(36,464)	(7,524)
- Changes in expected credit losses	(30)	(376)	(30)	(376)
Income tax relating to components of other comprehensive loss	60,143	7,695	60,143	7,695
Other comprehensive loss, net of tax, for the financial period	(190,484)	(24,745)	(190,484)	(24,745)
Total comprehensive income for the financial period	105,504	246,997	105,504	246,997



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A30. Operations of Islamic Banking (continued)

(b) Income Statement for the Three Months Ended 31 March 2021

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	2,653	4,299	2,653	4,299
Income derived from investment of shareholders' funds	-	76	-	76
Allowance for credit losses	(4,220)	(874)	(4,220)	(874)
Total distributable (loss)/income	(1,567)	3,501	(1,567)	3,501
Income attributable to depositors	(1,307)	(3,491)	(1,307)	(3,491)
	(2,874)	10	(2,874)	10
Personnel expenses	-	(355)	-	(355)
Other overheads and expenditures	-	(16)	-	(16)
Loss before taxation	(2,874)	(361)	(2,874)	(361)
Taxation	-	-	-	-
Net loss for the financial period	(2,874)	(361)	(2,874)	(361)

Statement of Comprehensive Income for the Three Months Ended 31 March 2021

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Net loss for the financial period	(2,874)	(361)	(2,874)	(361)
Total comprehensive loss for the financial period	(2,874)	(361)	(2,874)	(361)



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A30. Operations of Islamic Banking (continued)

(d) Financing and Advances

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
At amortised cost				
Cashline	917,537	856,366	-	-
Term financing				
- Housing financing	21,993,954	21,169,443	-	-
- Syndicated term financing	3,315,169	3,067,225	-	-
- Hire purchase receivables	8,787,625	8,598,499	-	-
- Other term financing	31,193,381	30,582,237	1,010,490	1,003,732
Bills receivables	223,527	386,964	-	-
Trust receipts	32,964	37,079	-	-
Claims on customers under acceptance credits	889,072	764,298	-	-
Share margin financing	1,232	2,546	-	-
Staff financing	11,094	10,941	-	-
Credit/charge card receivables	267,994	273,966	-	-
Revolving financing	2,258,640	2,464,088	-	-
Gross financing and advances	69,892,189	68,213,652	1,010,490	1,003,732
Less: Allowance for credit losses	(565,660)	(538,182)	(11,267)	(6,922)
Net financing and advances	69,326,529	67,675,470	999,223	996,810

(i) Movements in impaired financing and advances

Balance as at the beginning of the financial period/year	435,207	466,169	-	-
Transfer to 12-month ECL (Stage 1)	(7,377)	(15,918)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(41,360)	(42,625)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	154,171	176,565	-	-
Purchases and origination	11,392	26,127	4,359	-
Derecognition	(87,454)	(104,208)	-	-
Amount written off	(14,800)	(70,664)	-	-
Modification of contractual cash flow	(11)	(239)	-	-
Exchange differences	32	-	32	-
Balance as at the end of the financial period/year	449,800	435,207	4,391	-



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**NOTES TO UNAUDITED INTERIM FINANCIAL
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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
31 March 2021				
Balance as at the beginning of the financial period	163,558	195,019	179,605	538,182
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	17,837	(15,423)	(2,414)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(11,210)	25,203	(13,993)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(96)	(7,034)	7,130	-
	6,531	2,746	(9,277)	-
Allowance made/(written back) during the financial period	(12,106)	21,618	46,367	55,879
Bad debts written off	-	-	(10,086)	(10,086)
Derecognition	(800)	(5,253)	(12,387)	(18,440)
Exchange differences	93	-	32	125
Balance as at the end of the financial period	157,276	214,130	194,254	565,660
31 December 2020				
Balance as at the beginning of the financial year	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)	29,383	(24,092)	(5,291)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(8,766)	21,718	(12,952)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(266)	(3,841)	4,107	-
	20,351	(6,215)	(14,136)	-
Allowance made during the financial year	80,272	107,516	91,163	278,951
Bad debts written off	-	-	(41,550)	(41,550)
Derecognition	(8,882)	(5,891)	(29,754)	(44,527)
Exchange differences	1	-	-	1
Balance as at the end of the financial year	163,558	195,019	179,605	538,182



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A30. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

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

Bank	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
31 March 2021				
Balance as at the beginning of the financial period	6,922	-	-	6,922
Allowance made/(written back) during the financial period	(115)	-	4,335	4,220
Exchange differences	93	-	32	125
Balance as at the end of the financial period	<u>6,900</u>	<u>-</u>	<u>4,367</u>	<u>11,267</u>
31 December 2020				
Balance as at the beginning of the financial year	4,254	-	-	4,254
Allowance made during the financial year	2,667	-	-	2,667
Exchange differences	1	-	-	1
Balance as at the end of the financial year	<u>6,922</u>	<u>-</u>	<u>-</u>	<u>6,922</u>



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A30. Operations of Islamic Banking (continued)

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
(e) Other Assets				
Prepayments	28,566	27,588	-	-
Deposits	1,535	1,535	-	-
Other receivables	508,531	388,714	106,501	96,937
	538,632	417,837	106,501	96,937

	Group	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
(f) Deposits from Customers		
Saving Deposits		
- Qard	2,350,295	2,094,100
Demand Deposits		
- Qard	7,896,007	5,981,871
- Commodity Murabahah	2,541,039	1,464,521
Term Deposits		
- Commodity Murabahah	50,057,564	42,962,476
Specific Investment Account		
- Murabahah	8,462,042	8,289,588
General Investment Account		
- Mudharabah	17,386	37,619
	71,324,333	60,830,175



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B1. Review of Group Results

(a) Current Financial Period vs Previous Financial Period

The Group reported a net profit of RM650.3 million for the first three months ended 31 March 2021, 13.9% higher from RM570.9 million recorded a year ago. The year-on-year earnings improvement was mainly due to higher net funding income and higher non-funding income, partially offset by higher allowances for credit losses, higher operating expenses and net modification loss for the period.

Net fund based income increased by 12.6% to RM1,417.0 million from a year ago, driven by proactive funding cost management which dropped 36.4% year-on-year supported by CASA growth of 25.5%.

Non-fund based income rose by 15.5% to RM543.6 million, contributed largely by higher capital market, brokerage, wealth management and commercial banking fee income. This was partly offset by lower net trading and investment income.

Operating expenses increased by 8.3% from a year ago at RM885.4 million. With positive JAWS, cost-to-income ratio improved to 46.0% compared with 47.3% a year ago.

The Group remained prudent and continued setting aside additional provisions to cater for potential adverse impact to asset quality. Consequently, allowance for credit losses increased by 15.4% from the previous corresponding period to RM173.9 million with the annualised credit charge ratio standing at 0.39% compared with 0.34% last year.

Total assets of the Group increased by 3.5% from December 2020 to RM280.5 billion as at 31 March 2021. Net assets per share was at RM6.65, with shareholders' equity at RM26.7 billion as at 31 March 2021.

The Group's gross loans and financing grew by 6.8% year-on-year to RM188.2 billion, mainly supported by growth in mortgage, auto finance, SME and Singapore. Domestic loans and financing grew 6.0% year-on-year. The Group's domestic loan market share stood at 9.0% as at end-March 2021.

Customer deposits increased by 12.4% year-on-year to RM218.0 billion, predominantly attributed to CASA and fixed deposits growth of 25.5% and 7.8% respectively. CASA composition stood at 30.6% as at 31 March 2021.

Gross impaired loans was RM3.1 billion as at 31 March 2021, with gross impaired loans ratio of 1.66% compared with RM3.5 billion and 2.00% respectively as at 31 March 2020. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained strong at 119.5% as at end-March 2021.



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B1. Review of Group Results

(b) Performance by Operating Segment

(i) Group Retail Banking

Group Retail Banking reported a pre-tax profit of RM320.2 million for the first three months ended 31 March 2021, 13.9% higher than previous year. This was mainly attributed to higher net fund based income and non-fund based income, and lower allowances for loans and financing, partially offset by higher operating expenses.

Retail loans and financing was at RM95.7 billion, 6.3% higher year-on-year, primarily driven by growth in mortgages, auto financing and personal financing.

Retail deposits increased by 17.1% year-on-year to RM69.0 billion as at 31 March 2021, contributed by growth in CASA and fixed deposits.

(ii) Group Business Banking

Group Business Banking recorded a pre-tax profit of RM59.7 million for the first quarter, a 49.1% decrease year-on-year mainly due higher allowances for credit losses on loans and higher operating expenses.

Gross loans and financing expanded by 12.2% over the year to RM29.4 billion, driven by growth in SME and Commercial portfolios of 12.9% and 10.0% respectively.

Customer deposits recorded a 20.9% growth over the year to reach RM33.5 billion as at 31 March 2021 due to growth in fixed deposits and current account.

(iii) GWB

Group Wholesale Banking ('GWB') posted a 44.1% increase in pre-tax profit to RM550.9 million.

- (a) Group Corporate & Investment Banking registered a pre-tax profit of RM218.5 million, an increase of 32.2% on the back of higher non-fund based income and lower operating expenses, partially offset by lower net fund based income and higher expected credit losses on loans.

Gross loans and financing increase by 1.4% year-on-year to RM41.8 billion, while deposits grew strongly by 11.4% to RM64.1 billion primarily driven by growth in fixed deposits and current account.

- (b) Group Treasury and Global Markets recorded a 53.1% growth in pre-tax profit to RM332.4 million over the year, mainly due to higher net fund based income, partially offset by lower net trading and investment income and lower gain on foreign exchange and derivatives.

Total deposits grew by 1.1% to RM28.8 billion with increase in money market time deposits.



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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 SGD0.2 million, 96.3% lower than the previous year. This was mainly due to higher expected credit losses on loans and higher operating expenses, partially offset by higher net fund based income and non-fund based income.

Singapore loans and advances increased by 14.9% year-on-year to SGD5.5 billion, while deposits increased by 6.4% to SGD5.9 billion.

Group International Business excluding Singapore registered a pre-tax profit of RM36.9 million as compared to pre-tax loss in the corresponding year. This was mainly due to higher profitability recorded in Cambodia and Thailand.

B2. Current Quarter vs Previous Quarter

Net profit of the Group increased by 48.3% to RM650.3 million from RM438.6 million recorded in the preceding quarter ended 31 December 2020. This was primarily due to lower allowances for credit losses and operating expenses, partially offset by lower total income, higher modification loss and higher tax expense.

B3. Prospects for Financial Year 2021

The global economy is expected to recover in 2021, supported by continuous stimulus measures undertaken by governments and the rollout of the COVID-19 vaccination efforts worldwide.

With the economic recovery gaining momentum, Malaysia's GDP is expected to rebound this year, the rate of which will depend largely on the pandemic containment measures and the pace of vaccination. The banking sector is projected to remain resilient, with loans likely to grow around 4.0% while OPR is expected to remain stable for the rest of the year.

Amid the new normal and given the evolving nature of the COVID-19 situation, the Group continues to remain vigilant and prudent. Our priorities are to preserve our capital and liquidity strength, and monitor asset quality closely by intensifying our recovery and collection efforts. And we will continue to engage our borrowers who may still require assistance to see through this challenging period. On that note, we are seeing pick up in applications for financing across individual and business customers as we facilitate their needs for such financing. With our FIT22 measures, we will continue to focus on improving business performance through digitalisation initiatives to improve customer experience and enhance credit risk management.

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.



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B5. Taxation and Zakat

	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	172,750	149,153	172,750	149,153
- Overseas tax	11,742	5,548	11,742	5,548
Deferred tax	24,765	24,973	24,765	24,973
	<u>209,257</u>	<u>179,674</u>	<u>209,257</u>	<u>179,674</u>
Under/(Over) provision in respect of prior financial years	2,702	(344)	2,702	(344)
Tax expense	<u>211,959</u>	<u>179,330</u>	<u>211,959</u>	<u>179,330</u>
Zakat	1,368	909	1,368	909
	<u>213,327</u>	<u>180,239</u>	<u>213,327</u>	<u>180,239</u>

The effective tax rate of the Group for the first quarter and three months ended 31 March 2021 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	1st Quarter Ended		Three Months Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period				
- Malaysian income tax	108,900	110,277	108,900	110,277
- Overseas tax	-	148	-	148
Deferred tax	27,735	26,505	27,735	26,505
	<u>136,635</u>	<u>136,930</u>	<u>136,635</u>	<u>136,930</u>

The effective tax rate of the Bank for the first quarter and three months ended 31 March 2021 was lower than the statutory tax rate mainly due to certain income not subject to tax.



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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.

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 Finance Hong Kong Limited had been dissolved as disclosed in Note A26(b).

(b) Proposed establishment of a Dividend Reinvestment Plan ('DRP')

On 17 December 2020, the Bank announced that it proposes to undertake the establishment of a DRP that provides the shareholders of the Bank ('Shareholders') with an option to elect to reinvest, in whole or in part, their cash dividend declared by the Bank in new RHB Bank Shares ('DRP Shares') ('Proposed DRP').

The rationale of the Proposed DRP is as follows:

- (i) It provides the Bank with flexibility in managing and strengthening its capital position as part of the Bank's capital management strategy. The reinvestment of dividend by the Shareholders for DRP Shares will also enlarge the share capital base of the Bank.

The cash retained which would otherwise be used for the payment of dividend, may be utilised for working capital, repay borrowings and/or other requirements of the Bank or RHB Banking Group to be identified at the point when such funds are retained.

- (ii) It allows Shareholders to have the option of reinvesting further into the Bank and provides the Shareholders with the following:
 - (a) an opportunity to enhance and maximise the value of their shareholdings in the Bank by investing in DRP Shares at a discount; and
 - (b) flexibility to the Shareholders in meeting their investment objectives as the Shareholders would have the option of receiving dividend in cash and/or reinvesting in DRP Shares.
- (iii) The implementation of the Proposed DRP will provide an avenue to the Shareholders to exercise the electable portion under the reinvestment option into DRP Shares in lieu of receiving cash.
- (iv) The Proposed DRP may potentially improve the trading liquidity of RHB Bank shares as well as strengthen the financial position and capital base of the Bank through the issuance of DRP Shares.



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B6. Status of Corporate Proposals (continued)

(b) Proposed establishment of a Dividend Reinvestment Plan ('DRP') (continued)

The Proposed DRP is not conditional or inter-conditional upon any other corporate exercise being or proposed to be undertaken by the Bank. However, the Proposed DRP is conditional upon the following:

- (i) approval from BNM for the increase in issued share capital arising from the issuance of DRP Shares pertaining to the proposed final dividend in respect of financial year ended 31 December 2020, of which BNM has granted its approval via its letter dated 29 March 2021;
- (ii) Bursa Malaysia Securities Berhad ('Bursa Securities') for the listing and quotation of the DRP Shares on the Main Market of Bursa Securities, of which Bursa Securities had vide its letter dated 7 April 2021 approved the listing and quotation of up to 85,213,469 DRP shares on the Main Market of Bursa Securities in respect of the proposed final dividend for the financial year ended 31 December 2020;
- (iii) approval from Shareholders for the Proposed DRP at the Annual General Meeting ('AGM'); and
- (iv) any other relevant authority and/or party, if required.

The effects of the Proposed DRP on the share capital, substantial shareholders' shareholdings, net assets, gearing, earnings and earnings per share as well as the number of new ordinary shares to be issued by the Bank are dependent on the following:

- (i) the quantum of the dividend to be announced by the Board of which the Proposed DRP can be applied with;
- (ii) the Board's decision on the proportion/size of the electable portion;
- (iii) the issue price;
- (iv) the extent to which Shareholders elect to exercise the reinvestment option;
- (v) the applicable withholding tax rates of the Shareholders; and
- (vi) any necessary downward adjustment by the Board to the final number of DRP Shares to be allotted and issued to any of the Shareholders.

On 27 January 2021, the Board of Directors of the Bank had proposed a final dividend of 7.65 sen per share ('Final Dividend') in respect of the financial year ended 31 December 2020 amounting to RM306,768,000 and had recommended that the Proposed DRP as mentioned above shall apply to the said Final Dividend, subject to shareholders' approval.

The shareholders had, on 25 May 2021, approved the Final Dividend, the Proposed DRP and the authority to the Directors to allot and issue such number of DRP shares from time to time as may be required in respect of the Final Dividend and on dividend that may be declared and to be subject to DRP as may be decided by the Board. The authority to the Board to allot and issue DRP shares shall continue to be in force until the conclusion of the next AGM.

On 25 May 2021, the issue price of the new ordinary shares in the Bank ('RHB Bank Shares') to be issued pursuant to the DRP has been fixed at RM4.61 per share. The issue price is fixed based on the 5-day volume weighted average market price ('VWAP') of RHB Bank Shares of RM5.1930 up to and including 24 May 2021, being the last trading day before the Price Fixing Date after adjusting for the following:

- (i) a dividend adjustment of RM0.0765 to the 5-day VWAP of RHB Bank Shares ('Ex-Dividend VWAP'); and
- (ii) a discount of RM0.5065, which is approximately 10% discount to the Ex-Dividend VWAP of RM5.1165.

The book closure for the Final Dividend and DRP has been fixed on 10 June 2021.



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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 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Deposits from customers				
- One year or less	216,376,506	201,304,081	135,511,631	133,527,691
- More than one year	1,622,572	2,166,702	570,390	783,283
	<u>217,999,078</u>	<u>203,470,783</u>	<u>136,082,021</u>	<u>134,310,974</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	15,762,083	19,126,009	20,853,332	22,820,715
- One year to three years	932,129	417,425	898,104	381,011
- Three years to five years	309,566	270,001	244,251	207,987
- Over five years	1,352,043	1,221,751	1,327,637	1,200,898
	<u>18,355,821</u>	<u>21,035,186</u>	<u>23,323,324</u>	<u>24,610,611</u>

(b) Borrowings

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Secured				
Term loans:				
- Cambodian Riel	108,314	137,750	-	-
Unsecured				
Term loans:				
- United States Dollar	-	201,101	-	201,101
Promissory note:				
- Indonesia Rupiah	71,399	150,665	-	-
- Thai Baht	115,417	145,114	-	-
	<u>295,130</u>	<u>634,630</u>	<u>-</u>	<u>201,101</u>
Scheduled repayment of borrowings:				
- Within one year	<u>295,130</u>	<u>634,630</u>	<u>-</u>	<u>201,101</u>



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

(c) Senior debt securities

	Group and Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
USD500 million 2.503% senior debt securities due in 2021	2,097,240	2,021,872
USD300 million 3.766% senior debt securities due in 2024	1,247,564	1,221,568
RM300 million 2.85% senior Sukuk Murabahah due in 2025	303,672	301,710
	<u>3,648,476</u>	<u>3,545,150</u>

(d) Subordinated obligations

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027	255,214	252,206	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027	749,956	759,029	749,956	759,029
4.90% RM200 million Tier II Subordinated Notes 2017/2027	204,564	202,148	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	507,634	502,308	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	505,420	501,280	505,420	501,280
3.13% RM500 million Tier II Subordinated Notes 2020/2030	505,370	501,758	505,370	501,758
	<u>2,728,158</u>	<u>2,718,729</u>	<u>1,760,746</u>	<u>1,762,067</u>

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.



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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 31 March 2021			As at 31 December 2020		
	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	52,767,332	462,762	253,791	55,252,294	709,273	789,622
- Options	792,801	10,468	2,408	635,544	5,358	2,047
- Cross-currency interest rate swaps	4,797,148	186,325	143,706	4,128,289	275,156	211,792
	58,357,281	659,555	399,905	60,016,127	989,787	1,003,461
Interest rate related contracts						
- Swaps	33,358,715	464,647	440,464	30,993,176	632,982	617,341
Commodity related contracts						
- Options	255,144	-	-	555,265	12,189	12,189
Equity related contracts						
- Options	711,120	1,795	1,815	451,701	17,280	17,426
Futures related contracts						
	79,597	122	1,073	200,537	895	-
Structured warrants						
	329,654	-	31,962	456,101	-	71,703
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,029,117	60,874	193,125	8,039,436	346	312,675
Total	101,120,628	1,186,993	1,068,344	100,712,343	1,653,479	2,034,795



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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 31 March 2021			As at 31 December 2020		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
By type	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	53,150,465	461,303	255,351	57,484,810	726,266	805,366
- Options	792,801	10,468	2,408	635,544	5,358	2,047
- Cross-currency interest rate swaps	5,273,836	186,325	143,987	4,590,768	275,156	212,086
	59,217,102	658,096	401,746	62,711,122	1,006,780	1,019,499
Interest rate related contracts						
- Swaps	43,858,715	587,667	560,439	42,093,175	754,318	735,456
Commodity related contracts						
- Options	255,144	-	-	555,265	12,189	12,189
Equity related contracts						
- Options	735,392	1,795	1,815	458,784	17,280	17,426
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,229,117	11,128	121,186	4,239,436	-	194,572
Total	108,295,470	1,258,686	1,085,186	110,057,782	1,790,567	1,979,142



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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 31 March 2021			As at 31 December 2020		
	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
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	54,109,094	514,464	273,413	55,476,927	750,346	805,183
- One year to three years	2,099,006	67,789	63,193	2,249,295	116,978	95,624
- More than three years	2,149,181	77,302	63,299	2,289,905	122,463	102,654
	58,357,281	659,555	399,905	60,016,127	989,787	1,003,461
Interest rate related contracts						
- Less than one year	7,533,219	21,117	27,513	8,515,850	36,905	49,469
- One year to three years	10,157,111	71,463	76,065	7,793,323	51,842	62,671
- More than three years	15,668,385	372,067	336,886	14,684,003	544,235	505,201
	33,358,715	464,647	440,464	30,993,176	632,982	617,341
Commodity related contracts						
- Less than one year	94,900	-	-	374,040	12,189	12,189
- One year to three years	50,840	-	-	73,466	-	-
- More than three years	109,404	-	-	107,759	-	-
	255,144	-	-	555,265	12,189	12,189
Equity related contracts						
- Less than one year	711,120	1,795	1,815	451,701	17,280	17,426
	711,120	1,795	1,815	451,701	17,280	17,426
Futures related contracts						
- Less than one year	79,597	122	1,073	200,537	895	-
	79,597	122	1,073	200,537	895	-
Structured warrants						
- Less than one year	329,654	-	31,962	456,101	-	71,703
	329,654	-	31,962	456,101	-	71,703
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	457,394	-	4,177	417,930	-	5,252
- One year to three years	737,906	-	28,168	606,456	-	29,337
- More than three years	6,833,817	60,874	160,780	7,015,050	346	278,086
	8,029,117	60,874	193,125	8,039,436	346	312,675
Total	101,120,628	1,186,993	1,068,344	100,712,343	1,653,479	2,034,795



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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 31 March 2021			As at 31 December 2020		
	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
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	54,865,287	513,005	274,973	58,071,384	767,339	820,928
- One year to three years	2,202,634	67,789	63,193	2,349,833	116,978	95,624
- More than three years	2,149,181	77,302	63,580	2,289,905	122,463	102,947
	59,217,102	658,096	401,746	62,711,122	1,006,780	1,019,499
Interest rate related contracts						
- Less than one year	10,433,219	21,116	27,513	12,035,957	36,903	49,473
- One year to three years	11,157,111	91,458	95,767	8,773,216	78,888	89,397
- More than three years	22,268,385	475,093	437,159	21,284,002	638,527	596,586
	43,858,715	587,667	560,439	42,093,175	754,318	735,456
Commodity related contracts						
- Less than one year	94,900	-	-	374,040	12,189	12,189
- One year to three years	50,840	-	-	73,466	-	-
- More than three years	109,404	-	-	107,759	-	-
	255,144	-	-	555,265	12,189	12,189
Equity related contracts						
- Less than one year	735,392	1,795	1,815	458,784	17,280	17,426
	735,392	1,795	1,815	458,784	17,280	17,426
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	457,394	-	4,177	417,930	-	5,252
- One year to three years	237,905	-	8,466	106,456	-	2,611
- More than three years	3,533,818	11,128	108,543	3,715,050	-	186,709
	4,229,117	11,128	121,186	4,239,436	-	194,572
Total	108,295,470	1,258,686	1,085,186	110,057,782	1,790,567	1,979,142



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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 and qualifies 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 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.

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.

For financial instruments measured at amortised cost, 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. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statements.

(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 or 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.



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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.



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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 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:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2021				
<u>Financial assets</u>				
Financial assets at FVTPL:	315,538	3,246,393	565,436	4,127,367
- Money market instruments	-	1,999,009	-	1,999,009
- Quoted securities	315,538	-	-	315,538
- Unquoted securities	-	1,247,384	565,436	1,812,820
Financial assets at FVOCI:	2,288	43,359,880	756,448	44,118,616
- Money market instruments	-	16,909,248	-	16,909,248
- Quoted securities	2,288	-	-	2,288
- Unquoted securities	-	26,450,632	756,448	27,207,080
Derivative assets	-	1,186,993	-	1,186,993
	<u>317,826</u>	<u>47,793,266</u>	<u>1,321,884</u>	<u>49,432,976</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>31,962</u>	<u>1,036,382</u>	<u>-</u>	<u>1,068,344</u>
31 December 2020				
<u>Financial assets</u>				
Financial assets at FVTPL:	518,459	3,396,562	547,085	4,462,106
- Money market instruments	-	2,238,908	-	2,238,908
- Quoted securities	518,459	-	-	518,459
- Unquoted securities	-	1,157,654	547,085	1,704,739
Financial assets at FVOCI:	1,922	42,147,509	753,828	42,903,259
- Money market instruments	-	15,287,958	-	15,287,958
- Quoted securities	1,922	-	-	1,922
- Unquoted securities	-	26,859,551	753,828	27,613,379
Derivative assets	-	1,653,479	-	1,653,479
	<u>520,381</u>	<u>47,197,550</u>	<u>1,300,913</u>	<u>49,018,844</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>71,703</u>	<u>1,963,092</u>	<u>-</u>	<u>2,034,795</u>



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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):

Bank	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2021				
<u>Financial assets</u>				
Financial assets at FVTPL:	4,825	2,128,567	13,859	2,147,251
- Money market instruments	-	1,886,858	-	1,886,858
- Quoted securities	4,825	-	-	4,825
- Unquoted securities	-	241,709	13,859	255,568
Financial assets at FVOCI:	-	36,025,351	713,134	36,738,485
- Money market instruments	-	14,131,992	-	14,131,992
- Unquoted securities	-	21,893,359	713,134	22,606,493
Derivative assets	-	1,258,686	-	1,258,686
	<u>4,825</u>	<u>39,412,604</u>	<u>726,993</u>	<u>40,144,422</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	1,085,186	-	1,085,186
31 December 2020				
<u>Financial assets</u>				
Financial assets at FVTPL:	6,882	2,264,762	13,657	2,285,301
- Money market instruments	-	2,131,230	-	2,131,230
- Quoted securities	6,882	-	-	6,882
- Unquoted securities	-	133,532	13,657	147,189
Financial assets at FVOCI:	-	35,157,038	712,602	35,869,640
- Money market instruments	-	12,885,005	-	12,885,005
- Unquoted securities	-	22,272,033	712,602	22,984,635
Derivative assets	-	1,790,567	-	1,790,567
	<u>6,882</u>	<u>39,212,367</u>	<u>726,259</u>	<u>39,945,508</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	1,979,142	-	1,979,142

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



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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 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Financial assets at FVTPL				
Balance as at the beginning of the financial period/year	547,085	505,596	13,657	12,879
Total net gain recognised in income statements	-	56,815	-	-
Purchases	2,002	7,567	202	778
Settlement/distribution	(31)	(12,249)	-	-
Exchange differences	16,380	(10,644)	-	-
Balance as at the end of the financial period/year	<u>565,436</u>	<u>547,085</u>	<u>13,859</u>	<u>13,657</u>
Financial assets at FVOCI				
Balance as at the beginning of the financial period/year	753,828	694,400	712,602	655,331
Total net gain recognised in other comprehensive income	3,340	60,340	1,257	58,169
Settlement/disposal	(725)	(898)	(725)	(898)
Exchange differences	5	(14)	-	-
Balance as at the end of the financial period/year	<u>756,448</u>	<u>753,828</u>	<u>713,134</u>	<u>712,602</u>



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B10. Significant Event During the Financial Period

Disposal of RHB International Trust (L) Ltd ('RHBIT')

RHBBL has on 14 December 2020 entered into a conditional share sale and purchase agreement with Pacific Trustees Berhad ('Pacific Trustees') in respect of the disposal of its entire equity interest in RHBIT for a cash consideration of approximately USD173,490 ('Disposal'). The Disposal was completed on 11 March 2021.

The cash flow and net assets on disposal date are as follows:

	RM'000
Cash and short term fund	337
Statutory deposits	102
Other assets	19
Other liabilities	(191)
Amount due to other related companies	(6)
Provision for taxation	(97)
Translation reserves	(203)
Total net liabilities derecognised	<u>(39)</u>
Gain on disposal of a subsidiary	<u>752</u>
Sales consideration	713
Less: Contingent consideration	<u>(219)</u>
Cash inflow on disposal of a subsidiary	<u><u>494</u></u>

The financial results of the Disposal in the period between the beginning of the financial period to the date of disposal is not significant to the Group.

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No dividend has been declared for the first quarter ended 31 March 2021.

B12. Earnings per Share

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
Profit/(Loss) attributable to equity holders of the Bank (RM'000)				
- Continuing operations	650,288	579,771	650,288	579,771
- Discontinued operation	-	(8,891)	-	(8,891)
	<u>650,288</u>	<u>570,880</u>	<u>650,288</u>	<u>570,880</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,010,045</u>	<u>4,010,045</u>	<u>4,010,045</u>	<u>4,010,045</u>
Earnings/(Loss) per share (sen)				
- Continuing operations	16.2	14.4	16.2	14.4
- Discontinued operation	-	(0.2)	-	(0.2)
	<u>16.2</u>	<u>14.2</u>	<u>16.2</u>	<u>14.2</u>

There were no dilutive potential ordinary shares outstanding as at 31 March 2021. As a result, the diluted earnings per share equal to the basic earnings per share for the financial period ended 31 March 2021.

BY ORDER OF THE BOARD**AZMAN SHAH MD YAMAN**

(License No. LS0006901)

Company Secretary

27 May 2021