



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A8	1,575,565	1,616,577	4,725,208	5,285,307
Interest expense	A9	(558,784)	(711,006)	(1,693,812)	(2,598,221)
Net interest income		1,016,781	905,571	3,031,396	2,687,086
Other operating income	A10	549,951	568,900	1,487,401	1,625,691
Income from Islamic Banking business	A31(b)	546,271	355,672	1,559,918	1,197,303
Net modification loss	A11	(172,070)	-	(209,341)	(392,385)
Net income		1,940,933	1,830,143	5,869,374	5,117,695
Other operating expenses	A12	(862,374)	(853,745)	(2,611,946)	(2,497,338)
Operating profit before allowances		1,078,559	976,398	3,257,428	2,620,357
Allowance for credit losses on financial assets	A13	(249,759)	(186,514)	(650,918)	(540,661)
Impairment losses made on other non-financial assets		-	-	(314)	(9,500)
Profit before taxation and zakat		828,800	789,884	2,606,196	2,070,196
Taxation and zakat	B5	(191,019)	(214,106)	(614,325)	(505,046)
Profit from continuing operations		637,781	575,778	1,991,871	1,565,150
Profit from discontinued operation attributable to equity holders		-	48,198	-	34,661
Net profit for the financial period		637,781	623,976	1,991,871	1,599,811
Attributable to:					
- Equity holders of the Bank		635,592	622,249	1,987,223	1,593,899
- Non-controlling interests		2,189	1,727	4,648	5,912
		637,781	623,976	1,991,871	1,599,811
Earnings per share (sen):					
- Profit from continuing operations attributable to equity holders of the Bank					
- Basic	B12	15.6	14.3	49.3	38.9
- Diluted	B12	15.6	14.3	49.3	38.9
- Profit attributable to equity holders of the Bank					
- Basic	B12	15.6	15.5	49.3	39.7
- Diluted	B12	15.6	15.5	49.3	39.7

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 NINE MONTHS ENDED 30 SEPTEMBER 2021

Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Net profit for the financial period		637,781	623,976	1,991,871	1,599,811
Other comprehensive income/(loss) in respect of:					
(i) Items that will not be reclassified to profit or loss:					
(a) Actuarial gain/(loss) on defined benefit plan of subsidiaries		(18)	(30)	1,876	1,623
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')					
- Unrealised net gain on revaluation		4,755	24,433	31,243	60,391
(ii) Items that will be reclassified subsequently to profit or loss:					
(a) Foreign currency translation reserves					
- Currency translation differences		(7,982)	(135,651)	63,509	(12,729)
(b) Realisation of foreign exchange reserve and net investment hedge from discontinued operation		-	(75,752)	-	(75,603)
(c) Debt instruments measured at FVOCI					
- Unrealised net (loss)/gain on revaluation		(231,726)	547,783	(1,194,917)	1,263,236
- Net transfer to income statements on disposal		(152,899)	(111,380)	(408,974)	(346,128)
- Changes in expected credit losses and exchange differences		(2,887)	(648)	7,578	(2,872)
Income tax relating to components of other comprehensive loss/(income)		92,313	(104,712)	384,231	(220,513)
Other comprehensive (loss)/income, net of tax, for the financial period		(298,444)	144,043	(1,115,454)	667,405
Total comprehensive income for the financial period		339,337	768,019	876,417	2,267,216
Total comprehensive income attributable to:					
- Equity holders of the Bank		337,112	766,441	871,742	2,261,400
- Non-controlling interests		2,225	1,578	4,675	5,816
		339,337	768,019	876,417	2,267,216
Total comprehensive income/(loss) attributable to equity holders of the Bank from:					
- Continuing operations		337,112	793,995	871,742	2,302,342
- Discontinued operation		-	(27,554)	-	(40,942)
		337,112	766,441	871,742	2,261,400

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Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	1,560,604	1,589,527	4,657,952	5,240,541
Interest expense	A9	(540,090)	(684,386)	(1,641,147)	(2,531,359)
Net interest income		1,020,514	905,141	3,016,805	2,709,182
Other operating income	A10	386,845	274,072	970,084	1,300,034
Income from Islamic Banking business	A31(b)	1,255	1,381	4,083	2,469
Net modification loss	A11	(98,578)	-	(115,252)	(159,597)
Net income		1,310,036	1,180,594	3,875,720	3,852,088
Other operating expenses	A12	(584,217)	(563,392)	(1,774,428)	(1,660,382)
Operating profit before allowances		725,819	617,202	2,101,292	2,191,706
Allowance for credit losses on financial assets	A13	(7,871)	(34,049)	(52,077)	(292,482)
Impairment losses made on other non-financial assets		-	-	-	(52,500)
Profit before taxation		717,948	583,153	2,049,215	1,846,724
Taxation	B5	(154,319)	(145,916)	(456,182)	(379,990)
Net profit for the financial period		563,629	437,237	1,593,033	1,466,734

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 NINE MONTHS ENDED 30 SEPTEMBER 2021

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period	563,629	437,237	1,593,033	1,466,734
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	4,829	24,533	29,802	58,593
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	(14,207)	(39,584)	(1,593)	(12,277)
(b) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	(191,460)	455,015	(984,182)	1,021,494
- Net transfer to income statements on disposal	(127,784)	(99,200)	(317,260)	(310,958)
- Changes in expected credit losses and exchange differences	(3,297)	(1,019)	7,504	(2,649)
Income tax relating to components of other comprehensive (loss)/income	76,618	(85,396)	312,346	(170,529)
Other comprehensive (loss)/income, net of tax, for the financial period	(255,301)	254,349	(953,383)	583,674
Total comprehensive income for the financial period	308,328	691,586	639,650	2,050,408

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 30 SEPTEMBER 2021**

	Note	Group		Bank	
		As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
ASSETS					
Cash and short-term funds		16,542,484	8,904,285	9,804,221	7,905,636
Deposits and placements with banks and other financial institutions		4,409,116	6,069,443	9,904,227	9,447,903
Investment account due from designated financial institutions	A14	-	-	8,952,069	8,840,858
Financial assets at fair value through profit or loss ('FVTPL')	A15	3,063,622	4,462,106	1,173,470	2,285,301
Financial assets at fair value through other comprehensive income ('FVOCI')	A16	39,260,527	42,903,259	33,751,098	35,869,640
Financial investments at amortised cost	A17	17,353,719	16,005,267	10,455,542	10,195,993
Loans, advances and financing	A18	190,857,215	182,424,879	114,302,228	109,515,184
Clients' and brokers' balances		1,060,653	1,339,568	-	-
Reinsurance assets		426,614	467,504	-	-
Other assets	A19	1,647,301	1,528,592	1,102,086	1,278,048
Derivative assets	B8	784,773	1,653,479	863,671	1,790,567
Statutory deposits		579,553	612,671	306,072	228,107
Tax recoverable		167,648	289,969	-	251,917
Deferred tax assets		280,100	35,338	171,716	-
Investments in subsidiaries		-	-	4,633,036	4,901,397
Investments in associates and joint venture		12	12	-	-
Right of use assets		162,123	149,898	82,724	76,166
Property, plant and equipment		1,001,379	1,013,255	754,618	766,626
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		682,231	636,311	600,467	565,485
TOTAL ASSETS		280,933,192	271,149,958	198,572,158	195,633,741
LIABILITIES					
Deposits from customers	A20/B7(a)	214,037,817	203,470,783	138,207,462	134,310,974
Deposits and placements of banks and other financial institutions	A21/B7(a)	18,150,314	21,035,186	21,820,930	24,610,611
Obligations on securities sold under repurchase agreements		2,081,483	972,963	4,668,936	4,740,494
Investment account due to designated financial institutions	A22	348,966	-	-	-
Bills and acceptances payable		172,914	187,020	164,564	174,838
Clients' and brokers' balances		953,419	1,171,930	-	-
General insurance contract liabilities		1,058,132	1,086,385	-	-
Other liabilities	A23	3,727,618	3,822,314	2,266,059	2,287,372
Derivative liabilities	B8	846,208	2,034,795	869,422	1,979,142
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,030,535	3,023,760	-	-
Provision for taxation and zakat		248,082	69,623	48,312	-
Deferred tax liabilities		40	165,938	-	152,111
Lease liabilities		168,705	154,188	83,576	77,356
Borrowings	B7(b)	201,521	634,630	-	201,101
Senior debt securities	B7(c)	5,779,866	3,545,150	5,779,866	3,545,150
Subordinated obligations	B7(d)	3,236,504	2,718,729	2,268,794	1,762,067
TOTAL LIABILITIES		253,042,124	244,093,394	176,177,921	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 30 SEPTEMBER 2021

	Note	Group		Bank	
		As at	As at	As at	As at
		30 September	31 December	30 September	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		7,262,933	6,994,103	7,262,933	6,994,103
Reserves		20,594,706	20,029,732	15,131,304	14,798,422
Equity attributable to holders of the Bank		27,857,639	27,023,835	22,394,237	21,792,525
Non-controlling interests ('NCI')		33,429	32,729	-	-
TOTAL EQUITY		27,891,068	27,056,564	22,394,237	21,792,525
TOTAL LIABILITIES AND EQUITY		280,933,192	271,149,958	198,572,158	195,633,741
COMMITMENTS AND CONTINGENCIES	A28(a)	152,894,070	157,480,418	146,134,243	154,247,517
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		6.85	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 NINE MONTHS ENDED 30 SEPTEMBER 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	
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	-	-	-	-	-	-	1,987,223	1,987,223	4,648	1,991,871
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	25	59,345	-	4,105	63,475	34	63,509
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain on disposal	-	-	-	(19,444)	-	-	19,444	-	-	-
- Unrealised net gain on revaluation	-	-	-	31,243	-	-	-	31,243	-	31,243
- Debt instruments										
- Unrealised net loss on revaluation	-	-	-	(1,194,917)	-	-	-	(1,194,917)	-	(1,194,917)
- Net transfer to income statements on disposal	-	-	-	(408,974)	-	-	-	(408,974)	-	(408,974)
- Changes in expected credit losses and exchange differences	-	-	-	7,578	-	-	-	7,578	-	7,578
Actuarial gain/(loss) on defined benefit plan of subsidiaries	-	-	-	-	-	-	1,881	1,881	(5)	1,876
Income tax relating to components of other comprehensive loss/(income)	-	-	-	384,914	-	-	(681)	384,233	(2)	384,231
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	-	(1,199,575)	59,345	-	24,749	(1,115,481)	27	(1,115,454)
Total comprehensive income/(loss) for the financial period	-	-	-	(1,199,575)	59,345	-	2,011,972	871,742	4,675	876,417
Dividends paid	-	-	-	-	-	-	(306,768)	(306,768)	(3,975)	(310,743)
Shares issued pursuant to Dividend Reinvestment Plan ('DRP')	268,830	-	-	-	-	-	-	268,830	-	268,830
Transfer to statutory reserves	-	104,645	-	-	-	-	(104,645)	-	-	-
Transfer from regulatory reserves	-	-	(4,765)	-	-	-	4,765	-	-	-
Balance as at 30 September 2021	7,262,933	105,160	46,907	655,956	577,721	23,331	19,185,631	27,857,639	33,429	27,891,068

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	
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	-	-	-	-	-	-	1,593,899	1,593,899	5,912	1,599,811
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	(114)	(12,507)	-	-	(12,621)	(108)	(12,729)
- Realisation of foreign exchange reserve and net investment hedge from discontinued operation	-	-	-	-	(75,603)	-	-	(75,603)	-	(75,603)
Financial assets measured at FVOCI:										
- Equity instruments										
- Net loss on disposal	-	-	-	162	-	-	(162)	-	-	-
- Unrealised net gain on revaluation	-	-	-	60,391	-	-	-	60,391	-	60,391
- Debt instruments										
- Unrealised net gain on revaluation	-	-	-	1,263,236	-	-	-	1,263,236	-	1,263,236
- Net transfer to income statements on disposal	-	-	-	(346,128)	-	-	-	(346,128)	-	(346,128)
- Changes in expected credit losses and exchange differences	-	-	-	(2,872)	-	-	-	(2,872)	-	(2,872)
Actuarial gain on defined benefit plan of subsidiaries	-	-	-	-	-	-	1,607	1,607	16	1,623
Income tax relating to components of other comprehensive income	-	-	-	(220,130)	-	-	(379)	(220,509)	(4)	(220,513)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	754,545	(88,110)	-	1,066	667,501	(96)	667,405
Total comprehensive income/(loss) for the financial period	-	-	-	754,545	(88,110)	-	1,594,965	2,261,400	5,816	2,267,216
Dividends paid	-	-	-	-	-	-	(741,858)	(741,858)	(7,950)	(749,808)
Transfer from regulatory reserves	-	-	(631,896)	-	-	-	631,896	-	-	-
Balance as at 30 September 2020	6,994,103	513	207,096	2,082,605	600,756	23,331	17,386,532	27,294,936	33,281	27,328,217

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	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	-	-	-	-	1,593,033	1,593,033
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	(1,593)	-	(1,593)
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain on disposal	-	-	(17,494)	-	17,494	-
- Unrealised net gain on revaluation	-	-	29,802	-	-	29,802
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(984,182)	-	-	(984,182)
- Net transfer to income statements on disposal	-	-	(317,260)	-	-	(317,260)
- Changes in expected credit losses and exchange differences	-	-	7,504	-	-	7,504
Income tax relating to components of other comprehensive loss	-	-	312,346	-	-	312,346
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(969,284)	(1,593)	17,494	(953,383)
Total comprehensive income/(loss) for the financial period	-	-	(969,284)	(1,593)	1,610,527	639,650
Dividends paid	-	-	-	-	(306,768)	(306,768)
Shares issued pursuant to DRP	268,830	-	-	-	-	268,830
Balance as at 30 September 2021	7,262,933	-	608,761	348,079	14,174,464	22,394,237

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

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

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Nine Months Ended	
	30 September 2021	30 September 2020
	RM'000	RM'000
Group		
Cash flows from operating activities		
Profit/(Loss) before taxation and zakat:		
- Continuing operations	2,606,196	2,070,196
- Discontinued operation	-	33,130
Profit before taxation and zakat, including discontinued operation	<u>2,606,196</u>	<u>2,103,326</u>
Adjustments for:		
Allowance for credit losses on loans, advances and financing	896,379	735,258
Allowance for credit losses on other financial assets	(6,608)	15,697
Property, plant and equipment:		
- Depreciation	89,143	83,511
- Gain on disposal	(16,703)	(172)
- Written off	441	24
- Impairment losses	193	-
Intangible assets:		
- Amortisation	92,625	88,982
- Written off	-	4,761
Right of use assets:		
- Depreciation	53,118	57,108
- Gain on modification	-	(13)
- Impairment losses	121	-
Net allowance made/(written back) on financial assets at FVOCI and financial investments at amortised cost	6,873	136
Net gain on financial instruments	(317,091)	(482,263)
Gain on disposal of a subsidiary	(752)	(55,017)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(45,101)	(49,413)
Net modification loss	209,341	392,385
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	194,594	185,875
Other non-cash items	(1,290,236)	(1,373,583)
Operating profit before working capital changes	<u>2,472,533</u>	<u>1,706,602</u>
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	-	(64,298)
Deposits and placements with banks and other financial institutions	1,703,048	(1,992,167)
Financial assets at FVTPL	1,386,158	721,441
Loans, advances and financing	(9,245,669)	(7,386,861)
Clients' and brokers' balances	283,836	(54,954)
Other assets	685,671	(1,011,995)
Statutory deposits	46,147	3,897,050
	<u>(5,140,809)</u>	<u>(5,891,784)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	10,151,243	6,216,631
Deposits and placements of banks and other financial institutions	(2,931,312)	(556,863)
Obligations on securities sold under repurchase agreements	1,105,446	(1,056,127)
Investment account due to designated financial institutions	348,966	-
Bills and acceptances payable	(14,582)	(48,186)
Clients' and brokers' balances	(218,511)	(23,161)
Other liabilities	(890,700)	330,740
Recourse obligation on loans sold to Cagamas	(993,225)	(1,263,445)
	<u>6,557,325</u>	<u>3,599,589</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.



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**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Nine Months Ended	
	30 September 2021	30 September 2020
Group	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash generated from/(used in) operations	3,889,049	(585,593)
Interest paid	(162,043)	(182,506)
Net tax and zakat paid	(338,230)	(432,055)
Net cash generated from/(used in) operating activities	<u>3,388,776</u>	<u>(1,200,154)</u>
Cash flows from investing activities		
Net proceeds/(purchase) of financial assets at FVOCI and financial investments at amortised cost	1,232,520	(1,045,624)
Property, plant and equipment:		
- Purchase	(79,883)	(109,748)
- Proceeds from disposal	23,905	199
Intangible assets:		
- Purchase	(138,157)	(95,583)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest received	1,151,601	1,246,515
- Investment income received	317,790	270,066
Contingent consideration received arising from disposal of subsidiaries	219	15,961
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	45,101	49,413
Net cash inflow from disposal of subsidiaries	494	136,201
Net cash generated from investing activities	<u>2,553,590</u>	<u>467,400</u>
Cash flows from financing activities		
Net repayment of borrowings	(440,167)	(70,463)
Proceeds from issuance of senior debt securities	2,075,557	-
Proceeds from issuance of subordinated notes	500,000	500,000
Redemption of subordinated notes	-	(1,000,000)
Dividends paid to equity holders of the Bank	(438,943)	(741,858)
Dividends paid to NCI	(3,975)	(7,950)
Principal lease payments	(65,779)	(46,096)
Net cash generated from/(used in) financing activities	<u>1,626,693</u>	<u>(1,366,367)</u>
Net increase/(decrease) in cash and cash equivalents	7,569,059	(2,099,121)
Effects of exchange rate differences	69,140	8,506
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>16,542,484</u>	<u>9,537,377</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>16,542,484</u>	<u>9,537,377</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.



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**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Nine Months Ended	
	30 September 2021	30 September 2020
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	2,049,215	1,846,724
Adjustments for:		
Allowance for credit losses on loans, advances and financing	274,149	483,794
Allowance for credit losses on other financial assets	(280)	1,646
Property, plant and equipment:		
- Depreciation	72,869	68,824
- Gain on disposal	(144)	(14)
- Written off	28	1
Intangible assets:		
- Amortisation	79,521	75,312
Right of use assets:		
- Depreciation	40,570	39,306
Impairment loss on investment in a subsidiary	-	52,500
Net allowance made/(written back) on financial assets at FVOCI and financial investments at amortised cost	6,360	(2,476)
Net gain on financial instruments	(213,834)	(402,029)
Loss on liquidation of a subsidiary	52	-
Dividend income from financial assets at FVOCI	(4,099)	(4,404)
Dividend income from subsidiaries	(221,228)	(378,910)
Net modification loss	115,252	159,597
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	152,290	138,663
Other non-cash items	(932,045)	(1,054,573)
Operating profit before working capital changes	<u>1,418,676</u>	<u>1,023,961</u>
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	-	(64,298)
Deposits and placements with banks and other financial institutions	(433,497)	(1,536,470)
Investment account due from designated financial institutions	(111,211)	30,797
Financial assets at FVTPL	1,055,940	441,943
Loans, advances and financing	(5,078,496)	(1,236,784)
Other assets	1,036,613	(876,694)
Statutory deposits	(76,621)	2,337,938
	<u>(3,607,272)</u>	<u>(903,568)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	3,681,394	(851,084)
Deposits and placements of banks and other financial institutions	(2,774,603)	3,296,034
Obligations on securities sold under repurchase agreements	(73,888)	(76,935)
Bills and acceptances payable	(10,621)	(16,587)
Other liabilities	(699,101)	800,233
Recourse obligation on loans sold to Cagamas	-	(1,265,757)
	<u>123,181</u>	<u>1,885,904</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.



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**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

	Nine Months Ended	
	30 September 2021	30 September 2020
Bank	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash (used in)/generated from operations	(2,065,415)	2,006,297
Interest paid	(134,685)	(146,485)
Net tax paid	(166,983)	(255,809)
Net cash (used in)/generated from operating activities	<u>(2,367,083)</u>	<u>1,604,003</u>
Cash flows from investing activities		
Net proceeds of financial assets at FVOCI and financial investments at amortised cost	904,682	331,729
Property, plant and equipment:		
- Purchase	(58,433)	(84,729)
- Proceeds from disposal	146	14
Intangible assets:		
- Purchase	(114,321)	(88,533)
Interest received from financial assets at FVOCI and financial investments at amortised cost	1,141,009	1,193,393
Dividend income received from subsidiaries	221,228	378,910
Dividend income received from financial assets at FVOCI	4,099	4,404
Proceeds received from liquidation of a subsidiary	527	-
Capital reduction in a subsidiary	267,773	-
Additional investment in a subsidiary	-	(39,418)
Net cash generated from investing activities	<u>2,366,710</u>	<u>1,695,770</u>
Cash flows from financing activities		
Net repayment of borrowings	(201,079)	(21,073)
Proceeds from issuance of senior debt securities	2,075,557	-
Proceeds from issuance of subordinated notes	500,000	500,000
Redemption of subordinated notes	-	(800,000)
Dividends paid to equity holders of the Bank	(438,943)	(741,858)
Principal lease payments	(42,988)	(30,286)
Net cash generated from/(used in) financing activities	<u>1,892,547</u>	<u>(1,093,217)</u>
Net increase in cash and cash equivalents	1,892,174	2,206,556
Effects of exchange rate differences	6,411	40,592
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>9,804,221</u>	<u>7,750,041</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>9,804,221</u>	<u>7,750,041</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.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

A1. Basis Of Preparation

The interim financial statements are unaudited 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.

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

On 6 July 2021, BNM announced that individuals, micro-enterprise borrowers and small and medium enterprises ('SMEs') affected by the COVID-19 pandemic may start applying for the 6-month moratorium from 7 July 2021 onwards, in line with the Government's Pakej Perlindungan Rakyat dan Pemulihan Ekonomi ('PEMULIH')

The moratorium applies to ringgit and foreign currency denominated loans/financing approved on or before 30 June 2021, not in arrears exceeding 90 days and customers must not be adjudicated bankrupts or under bankruptcy proceedings. All individuals, SMEs and microenterprises may opt for 6-month deferment of instalment or 50% reduction in their monthly instalment payment for a period of 6 months. There will be no compounding interest/profit and any penalty interest/profit during the moratorium period.

The financial impact arising from the adoption of the above measures is as disclosed in Note A11.

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 nine months ended 30 September 2021, other than the additional modification loss as disclosed in Note A11.

A5. Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the nine months ended 30 September 2021.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2021, other than as disclosed below:

(a) Issuance of new shares

The Bank has on 8 July 2021 increased its issued and paid up share capital from RM6,994,102,955 to RM7,262,932,796 via the issuance of 58,314,499 new ordinary shares at RM4.61 per share arising from the Dividend Reinvestment Plan ('DRP') relating to the single-tier final dividend of 7.65 sen in respect of the financial year ended 31 December 2020.

The new ordinary shares issued during the financial period rank *pari passu* in all respects with the existing shares of the Bank.

(b) Issuance of subordinated notes and senior notes

(i) 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; and

(ii) The Bank had on 29 June 2021 completed its fourth issuance of USD500 million senior unsecured notes ('Senior Notes') under the USD5 billion (or its equivalent in other currencies) euro medium term note programme. The Senior Notes were priced at 5-year US Treasury +78 bps or yield of 1.658% and will pay a coupon of 1.658% per annum. The tenure of the Senior Notes is for 5 years, maturing on 29 June 2026.

A7. Dividends Paid

(a) An interim single-tier dividend of 10.00 sen per share in respect of the financial year ended 31 December 2020, amounting to RM401,004,562 which has been accounted for in the shareholders' equity as an appropriation of retained profits for the financial year ended 31 December 2020 was paid on 9 February 2021;

(b) A final single-tier dividend of 7.65 sen per share in respect of the financial year ended 31 December 2020, amounting to RM306,768,499 was approved by the Board of Directors on 27 January 2021. This final dividend consists of an electable portion of 7.65 sen which can be elected to be reinvested into new ordinary shares in accordance with the DRP. The reinvestment rate subsequent to the completion of the DRP was 87.65% and total cash dividend of RM37,938,695 was paid on 8 July 2021; and

(c) An interim single-tier dividend of 15.00 sen per share in respect of the financial year ending 31 December 2021, amounting to RM610,254,018, consisting of cash portion of 5.00 sen per share and an electable portion of 10.00 sen per share has been declared by the Board of Directors on 27 August 2021. The Board of Directors in its absolute discretion, recommends that the shareholders of the Bank be given an option to elect to reinvest the electable portion of the interim dividend into new ordinary shares of the Bank in accordance with the DRP as disclosed in Note B6(b). The reinvestment rate subsequent to the completion of the DRP was 85.96%.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

A8. Interest Income

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,178,787	1,182,890	3,485,029	3,918,946
Money at call and deposits and placements with banks and other financial institutions	21,630	18,782	69,281	64,351
Financial assets at FVTPL	8,351	12,495	37,142	48,014
Financial assets at FVOCI - debt instruments	267,509	291,275	836,092	912,991
Financial investments at amortised cost	95,376	105,642	285,324	326,287
Others	3,912	5,493	12,340	14,718
	1,575,565	1,616,577	4,725,208	5,285,307
Of which:				
Interest income accrued on impaired financial assets	15,902	8,263	63,894	40,363
Bank				
Loans and advances	1,090,091	1,097,976	3,221,402	3,657,496
Money at call and deposits and placements with banks and other financial institutions	49,591	35,368	128,155	131,380
Investment account due from designated financial institutions	65,537	64,293	198,557	217,804
Securities purchased under resale agreements	-	60	-	60
Financial assets at FVTPL	8,314	12,214	37,047	47,728
Financial assets at FVOCI - debt instruments	262,283	285,633	820,328	894,226
Financial investments at amortised cost	84,083	93,103	250,920	288,131
Others	705	880	1,543	3,716
	1,560,604	1,589,527	4,657,952	5,240,541
Of which:				
Interest income accrued on impaired financial assets	15,047	8,085	61,139	39,843



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

A9. Interest Expense

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	37,777	58,681	124,872	265,497
Deposits from customers	443,987	597,451	1,367,160	2,137,108
Obligations on securities sold under repurchase agreements	4,853	3,423	11,114	15,983
Recourse obligation on loans sold to Cagamas	-	-	-	11,045
Subordinated obligations	24,424	15,852	66,613	57,151
Senior debt securities	36,723	25,356	90,738	77,416
Borrowings	1,547	5,168	6,931	19,717
Others	9,473	5,075	26,384	14,304
	558,784	711,006	1,693,812	2,598,221
Bank				
Deposits and placements of banks and other financial institutions	44,296	67,531	148,880	293,714
Deposits from customers	414,798	562,591	1,274,594	2,036,040
Obligations on securities sold under repurchase agreements	13,943	10,147	44,681	44,176
Recourse obligation on loans sold to Cagamas	-	-	-	11,045
Subordinated obligations	21,953	13,382	59,283	46,892
Senior debt securities	36,723	25,356	90,738	77,416
Borrowings	-	2,203	485	12,108
Others	8,377	3,176	22,486	9,968
	540,090	684,386	1,641,147	2,531,359



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

A10. Other Operating Income

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	31,311	30,015	105,055	98,314
- Commission	44,396	38,048	154,687	113,758
- Guarantee fees	9,875	9,514	24,373	24,126
- Commitment fees	10,664	10,968	31,941	31,308
- Brokerage income	83,053	144,737	316,982	316,240
- Fund management fees	75,699	65,360	220,014	190,309
- Unit trust fee income	38,824	40,889	152,844	78,342
- Corporate advisory fees	6,347	6,973	29,911	14,510
- Underwriting and arrangement fees	5,044	2,295	8,098	9,652
- Other fee income	23,320	17,152	65,289	43,892
	328,533	365,951	1,109,194	920,451
- Fee and commission expenses	(77,286)	(88,301)	(263,843)	(186,503)
	251,247	277,650	845,351	733,948
Net (loss)/gain arising from financial assets at FVTPL				
- Net (loss)/gain on disposal	(3,939)	152,420	(53,001)	257,604
- Unrealised net gain/(loss) on revaluation	36,017	(16,834)	4,487	65,738
- Dividend income	9,989	16,878	40,310	44,300
	42,067	152,464	(8,204)	367,642
Net loss on revaluation of derivatives	(8,979)	(112,967)	(54,149)	(198,398)
Net gain/(loss) on fair value hedges	(8)	(341)	407	4,148
Net gain/(loss) arising from derecognition of financial investments at amortised cost	-	(1)	14,924	(9)
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	127,633	99,322	317,244	311,344
- Dividend income	1,320	3,080	4,791	5,113
	128,953	102,402	322,035	316,457
Other income				
Net foreign exchange gain	43,669	80,899	124,971	170,433
Insurance underwriting surplus before management expenses	75,085	56,161	194,838	177,646
Gain on disposal of property, plant and equipment	11,859	117	16,735	172
Gain on disposal of a subsidiary	-	-	752	-
Gain/(Loss) on modification of right of use assets	-	(25)	-	13
Rental income	484	578	1,543	1,447
Other operating income	3,803	4,990	16,141	15,527
Other non-operating income	1,771	6,973	12,057	36,665
	136,671	149,693	367,037	401,903
	549,951	568,900	1,487,401	1,625,691



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FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

A10. Other Operating Income (continued)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Bank	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	27,666	25,857	93,613	84,938
- Commission	55,622	47,063	193,051	129,500
- Guarantee fees	9,818	9,473	24,264	23,447
- Commitment fees	10,239	10,610	30,802	30,286
- Corporate advisory fees	1,637	243	4,919	243
- Underwriting and arrangement fees	465	-	465	-
- Other fee income	4,331	6,336	14,311	16,679
	109,778	99,582	361,425	285,093
Net (loss)/gain arising from financial assets at FVTPL				
- Net (loss)/gain on disposal	(1,740)	25,320	(90,189)	130,603
- Unrealised net (loss)/gain on revaluation	3,949	(2,439)	(5,025)	(10,599)
	2,209	22,881	(95,214)	120,004
Net loss on revaluation of derivatives	(6,259)	(575)	(23,307)	(33,077)
Net gain/(loss) on fair values hedges	(8)	(341)	407	4,148
Net gain/(loss) arising from derecognition of financial investments at amortised cost	-	(1)	14,924	(9)
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	127,548	99,199	317,024	310,963
- Dividend income	897	2,644	4,099	4,404
	128,445	101,843	321,123	315,367
Dividend income from subsidiaries	100,000	1,000	221,228	378,910
Other income				
Net foreign exchange gain	45,707	34,754	136,894	171,231
Gain on disposal of property, plant and equipment	9	9	144	14
Loss on liquidation of a subsidiary	(52)	-	(52)	-
Rental income	2,847	2,885	8,574	8,429
Other operating income	3,532	5,254	14,610	14,904
Other non-operating income	637	6,781	9,328	35,020
	52,680	49,683	169,498	229,598
	386,845	274,072	970,084	1,300,034

A11. Net Modification Loss

In connection with the Covid-19 pandemic, BNM and the Ministry of Finance have introduced several relief measures to customers/borrowers. As a result, the Group and the Bank have recognised a loss arising from the modification of cash flows of the loan/financing. This loss is set-off against the fair value gain on concessionary funding received as part of the Covid-19 relief measures. The net modification loss is unwound through the income statements over the remaining tenure of the loan/financing and funding.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
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A12. Other Operating Expenses

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	414,830	440,602	1,298,032	1,260,797
- Defined contribution plan	59,057	58,192	181,378	174,325
- Other staff related costs	57,100	31,070	132,635	106,626
	530,987	529,864	1,612,045	1,541,748
Establishment costs				
- Property, plant and equipment:				
- Depreciation	31,329	28,446	89,143	82,533
- Written off	8	18	441	24
- Intangible assets:				
- Amortisation	32,458	29,253	92,625	86,733
- Right of use assets:				
- Depreciation	18,418	17,188	53,118	53,307
- Rental of premises	5,941	4,424	18,603	20,656
- Rental of equipment	2,413	2,705	7,574	7,153
- Insurance	4,936	(567)	14,851	15,919
- Water and electricity	5,624	6,683	17,153	20,556
- Repair and maintenance	7,058	7,633	21,945	22,470
- Security and escorting expenses	10,314	11,727	32,884	33,611
- Information technology expenses	70,416	67,611	208,155	197,009
- Others	2,587	5,728	11,341	11,379
	191,502	180,849	567,833	551,350
Marketing expenses				
- Sales commission	27,679	26,735	90,559	71,747
- Advertisement and publicity	13,781	9,743	35,454	28,695
- Others	12,134	20,578	46,943	54,842
	53,594	57,056	172,956	155,284
Administration and general expenses				
- Communication expenses	33,167	43,161	106,572	114,166
- Legal and professional fee	10,501	8,548	32,625	25,070
- Others	42,623	34,267	119,915	109,720
	86,291	85,976	259,112	248,956
	862,374	853,745	2,611,946	2,497,338



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A12. Other Operating Expenses (continued)

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	281,638	273,822	849,623	793,701
- Defined contribution plan	41,808	40,897	128,427	122,253
- Other staff related costs	25,531	20,033	73,306	67,862
	<u>348,977</u>	<u>334,752</u>	<u>1,051,356</u>	<u>983,816</u>
Establishment costs				
- Property, plant and equipment:				
- Depreciation	25,875	24,938	72,869	68,824
- Written off	-	1	28	1
- Intangible assets:				
- Amortisation	27,812	25,574	79,521	75,312
- Right of use assets:				
- Depreciation	14,348	13,178	40,570	39,306
- Rental of premises	3,892	2,847	11,853	10,028
- Rental of equipment	2,394	2,630	7,505	7,115
- Insurance	6,205	806	17,704	16,931
- Water and electricity	3,583	4,095	11,031	12,414
- Repair and maintenance	4,992	5,582	16,094	16,547
- Security and escorting expenses	10,393	11,599	32,978	33,853
- Information technology expenses	44,757	39,642	127,389	116,267
	<u>144,251</u>	<u>130,892</u>	<u>417,542</u>	<u>396,598</u>
Marketing expenses				
- Sales commission	19,894	19,194	66,960	51,525
- Advertisement and publicity	9,078	6,814	23,634	18,155
- Others	7,156	8,705	24,853	24,272
	<u>36,128</u>	<u>34,713</u>	<u>115,447</u>	<u>93,952</u>
Administration and general expenses				
- Communication expenses	22,039	25,216	68,818	72,589
- Legal and professional fee	12,221	15,333	57,932	53,507
- Others	20,601	22,486	63,333	59,920
	<u>54,861</u>	<u>63,035</u>	<u>190,083</u>	<u>186,016</u>
	<u>584,217</u>	<u>563,392</u>	<u>1,774,428</u>	<u>1,660,382</u>



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A13. Allowance for Credit Losses on Financial Assets

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	286,988	227,129	776,924	626,641
- Bad debts recovered	(76,318)	(95,096)	(245,726)	(209,483)
- Bad debts written off	41,431	35,852	119,455	108,773
	252,101	167,885	650,653	525,931
Financial assets at FVOCI	(2,744)	(381)	7,461	(2,767)
Financial investments at amortised cost	2,927	2,258	(588)	2,903
Other financial assets	(2,525)	16,752	(6,608)	14,594
	249,759	186,514	650,918	540,661

Bank

Charge/(Writeback)

Loans, advances and financing:				
- Net charge	54,556	93,518	177,789	388,889
- Bad debts recovered	(71,981)	(85,471)	(228,152)	(190,482)
- Bad debts written off	28,093	29,354	96,360	94,905
	10,668	37,401	45,997	293,312
Financial assets at FVOCI	(3,154)	(752)	7,387	(2,544)
Financial investments at amortised cost	3,042	(585)	(1,027)	68
Other financial assets	(2,685)	(2,015)	(280)	1,646
	7,871	34,049	52,077	292,482

A14. Investment Account Due From Designated Financial Institutions

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

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

	Bank	
	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,000,000	1,000,000
Other term financing	6,259,762	6,917,534
Short-term funds	545,000	-
Unquoted securities	1,009,026	811,775
	8,813,788	8,729,309



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

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	291,614	656,342	291,614	656,342
Malaysian Government Investment Issues	552,618	1,582,566	552,618	1,474,888
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	75,770	209,443	-	-
Unit trusts	73,586	69,450	-	-
Corporate bond/sukuk	2,374	3,482	2,374	3,482
Outside Malaysia				
Shares, exchange traded funds and warrants	90,530	210,408	65	3,400
Unit trusts	24,791	25,676	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	107,502	52,781	104,072	51,370
Unit trusts	1,008,552	1,022,686	-	-
Commercial paper	99,971	36	99,971	36
Outside Malaysia				
Corporate bond/sukuk	122,756	95,783	122,756	95,783
Private equity funds	613,558	533,453	-	-
	3,063,622	4,462,106	1,173,470	2,285,301



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

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
At fair value				
(a) Debt instruments	38,500,328	42,148,529	33,030,190	35,158,058
(b) Equity instruments	760,199	754,730	720,908	711,582
	39,260,527	42,903,259	33,751,098	35,869,640
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,689,722	1,906,961	2,556,165	1,768,796
Malaysian Government Investment Issues	7,363,913	8,126,745	6,139,252	6,391,365
Cagamas bonds	61,095	102,082	61,095	91,926
Khazanah bonds	120,188	48,408	71,106	-
Negotiable instruments of deposits	-	397,744	-	-
Other foreign government investment issues	98,469	54,580	98,469	54,580
Sukuk Perumahan Kerajaan	72,821	73,100	-	-
Singapore Government Securities	905,793	866,267	905,793	866,267
Thailand Government Securities	640,374	654,851	640,374	654,851
Singapore Central Bank Bills	2,182,594	2,247,864	2,182,594	2,247,864
Thailand Central Bank Bonds	24,823	86,290	24,823	86,290
Singapore Housing Development Board	689,407	723,066	689,407	723,066
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	18,695,080	23,300,160	14,705,063	18,712,642
Perpetual notes/sukuk	50,872	51,155	50,872	51,155
<u>Outside Malaysia</u>				
Corporate bond/sukuk	4,905,177	3,509,256	4,905,177	3,509,256
	38,500,328	42,148,529	33,030,190	35,158,058
(b) Equity instruments				
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Shares	2,229	1,922	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	757,577	752,403	720,907	711,580
<u>Outside Malaysia</u>				
Shares	393	405	1	2
	760,199	754,730	720,908	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 RM1,586,000,000 (31 December 2020: RM733,000,000) and RM1,960,000,000 (31 December 2020: RM2,088,000,000) respectively.



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

(a) Movement in credit impaired financial assets at FVOCI

	Group and Bank	
	As at 30 September 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
	30 September 2021			
Balance as at the beginning of the financial period	37,729	134	-	37,863
Allowance written back during the financial period	(3,803)	(34)	-	(3,837)
Purchases and origination	10,400	-	-	10,400
Changes to model methodologies	6,169	-	-	6,169
Derecognition and disposal	(5,257)	(14)	-	(5,271)
Exchange differences	117	-	-	117
Balance as at the end of the financial period	<u>45,355</u>	<u>86</u>	<u>-</u>	<u>45,441</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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A16. 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
30 September 2021				
Balance as at the beginning of the financial period	35,723	134	-	35,857
Allowance written back during the financial period	(3,634)	(34)	-	(3,668)
Purchases and origination	9,579	-	-	9,579
Changes to model methodologies	6,169	-	-	6,169
Derecognition and disposal	(4,679)	(14)	-	(4,693)
Exchange differences	117	-	-	117
Balance as at the end of the financial period	<u>43,275</u>	<u>86</u>	<u>-</u>	<u>43,361</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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A17. Financial Investments at Amortised Cost

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	698,273	427,341	606,362	334,463
Malaysian Government Investment Issues	2,723,179	2,816,735	2,050,474	2,058,384
Cagamas bonds	474,284	477,050	459,281	477,050
Khazanah bonds	156,964	198,175	20,524	39,958
Negotiable instruments of deposits	400,181	-	-	-
Wakala Global Sukuk	-	28,928	-	20,666
Sukuk Perumahan Kerajaan	111,073	111,014	100,938	100,983
Singapore Government Treasury Bills	645,535	577,258	645,535	577,258
Sukuk (Brunei) Incorporation	15,365	30,411	15,365	30,411
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	12,524,979	11,684,211	6,895,785	6,845,749
Corporate loan stocks	25,853	25,853	-	-
	17,775,686	16,376,976	10,794,264	10,484,922
Allowance for credit losses	(421,967)	(371,709)	(338,722)	(288,929)
	17,353,719	16,005,267	10,455,542	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 RM388,000,000 (31 December 2020: RM224,000,000) and RM2,550,000,000 (31 December 2020: RM2,571,000,000) respectively.

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

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 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	324	(135)	324	(135)
Balance as at the end of the financial period/year	140,576	140,252	63,129	62,805



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A17. Financial investments at amortised cost (continued)

(b) Movement in allowance for credit losses

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
30 September 2021				
Balance as at the beginning of the financial period	11,871	220,148	139,690	371,709
Transferred to 12-month ECL (Stage 1)	123	(123)	-	-
Allowance (written back)/made during the financial period	3,309	(4,710)	-	(1,401)
Purchases and origination	2,662	-	-	2,662
Derecognition	(1,837)	(12)	-	(1,849)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	26	-	324	350
Balance as at the end of the financial period	<u>16,154</u>	<u>265,799</u>	<u>140,014</u>	<u>421,967</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				
30 September 2021				
Balance as at the beginning of the financial period	6,674	220,013	62,242	288,929
Allowance (written back)/made during the financial period	3,457	(4,710)	-	(1,253)
Purchases and origination	856	-	-	856
Derecognition	(630)	-	-	(630)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	-	-	324	324
Balance as at the end of the financial period	<u>10,357</u>	<u>265,799</u>	<u>62,566</u>	<u>338,722</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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A18. Loans, Advances and Financing

(a) By type

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
At amortised cost				
Overdrafts	5,617,496	5,591,112	4,228,928	4,414,180
Term loans/financing				
- Housing loans/financing	69,066,906	65,651,613	45,178,766	44,045,052
- Syndicated term loans/financing	11,098,207	9,903,531	6,721,248	5,613,808
- Hire purchase receivables/financing	9,531,272	9,614,361	729,369	1,015,862
- Other term loans/financing	76,550,516	72,934,923	43,067,478	41,164,003
Bills receivables	5,089,763	3,765,638	4,630,890	3,378,674
Trust receipts	676,597	562,226	612,249	525,147
Claims on customers under acceptance credits	3,968,989	3,699,294	2,836,790	2,934,996
Share margin financing	2,011,312	2,185,523	298,648	356,465
Staff loans/financing	100,530	108,452	88,659	97,201
Credit/charge card receivables	1,835,722	2,021,947	1,579,903	1,747,981
Revolving credits/financing	9,078,964	10,074,892	6,848,539	7,116,639
Gross loans, advances and financing	194,626,274	186,113,512	116,821,467	112,410,008
Fair value changes arising from fair value hedges	25,874	117,725	1,874	8,681
	194,652,148	186,231,237	116,823,341	112,418,689
Less: Allowance for credit losses	(3,794,933)	(3,806,358)	(2,521,113)	(2,903,505)
Net loans, advances and financing	190,857,215	182,424,879	114,302,228	109,515,184

Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group amounting to RM1,916,504,000 (31 December 2020: RM2,896,091,000).



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A18. Loans, Advances and Financing (continued)

(b) By type of customer

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Domestic non-bank financial institutions	3,612,043	4,028,623	674,499	710,488
Domestic business enterprises:				
- Small medium enterprises	28,513,734	28,122,412	21,921,296	22,614,690
- Others	31,721,404	28,960,697	16,975,874	14,938,302
Government and statutory bodies	6,320,258	6,512,428	30,522	65,260
Individuals	96,792,473	95,182,250	54,588,840	55,495,220
Other domestic entities	157,645	149,412	28,926	27,685
Foreign entities	27,508,717	23,157,690	22,601,510	18,558,363
	194,626,274	186,113,512	116,821,467	112,410,008

(c) By geographical distribution

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Malaysia	168,538,325	163,801,243	95,788,737	95,236,486
Labuan Offshore	1,913,917	2,321,773	-	-
Singapore	19,370,049	15,567,576	19,370,049	15,567,576
Thailand	1,666,829	1,548,312	1,477,597	1,433,375
Brunei	185,084	172,571	185,084	172,571
Cambodia	2,708,932	2,353,437	-	-
Lao	145,921	159,617	-	-
Indonesia	97,126	188,983	-	-
Vietnam	91	-	-	-
	194,626,274	186,113,512	116,821,467	112,410,008



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A18. Loans, Advances and Financing (continued)

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	124,708	107,350	92,364	87,334
- Hire purchase receivables/financing	1,957,525	2,559,984	729,348	1,015,862
- Other fixed rate loans/financing	22,537,816	21,721,680	10,538,955	9,035,344
Variable rate				
- Base lending/financing rate plus	110,234,820	105,332,857	69,324,070	68,875,787
- Cost-plus	47,137,115	46,787,748	25,641,028	25,523,231
- Other variable rates	12,634,290	9,603,893	10,495,702	7,872,450
	194,626,274	186,113,512	116,821,467	112,410,008

(e) By economic sector

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,664,676	3,500,827	3,063,592	1,967,721
Mining and quarrying	234,806	565,203	149,620	258,361
Manufacturing	10,589,740	9,717,560	7,740,715	7,143,108
Electricity, gas and water	1,543,327	1,734,819	808,049	1,362,272
Construction	13,457,542	13,318,314	8,192,723	8,121,305
Wholesale and retail trade and restaurant and hotel	19,568,386	17,874,802	15,852,721	14,876,841
Transport, storage and communication	6,815,586	7,410,118	1,557,680	1,929,825
Finance, insurance, real estate and business services	24,201,282	21,491,620	17,234,438	14,896,692
Government and government agencies	3,304,574	3,497,372	30,522	65,260
Education, health and others	6,150,628	6,099,353	2,053,646	2,019,308
Household sector	103,216,892	100,026,690	59,733,280	59,403,172
Others	878,835	876,834	404,481	366,143
	194,626,274	186,113,512	116,821,467	112,410,008



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A18. Loans, Advances and Financing (continued)

(f) By purpose

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	11,912,665	12,046,734	4,804,912	4,794,695
Purchase of transport vehicles	9,264,218	9,248,129	431,254	628,177
Purchase of landed property:				
- Residential	67,356,277	63,791,998	44,561,178	43,335,901
- Non-residential	19,866,097	19,503,376	13,799,109	13,792,771
Purchase of property, plant and equipment other than land and building	2,295,847	2,440,925	1,504,960	1,718,619
Personal use	11,475,351	11,063,576	6,707,272	6,456,314
Credit card	1,835,722	2,021,947	1,579,903	1,747,981
Purchase of consumer durables	10,016	12,014	10,016	12,014
Construction	7,949,549	7,704,997	6,430,358	6,051,960
Working capital	45,997,781	42,834,976	27,966,354	26,324,964
Merger and acquisition	1,455,479	1,804,322	179,036	489,461
Other purposes	15,207,272	13,640,518	8,847,115	7,057,151
	194,626,274	186,113,512	116,821,467	112,410,008

(g) By remaining contractual maturities

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	38,452,561	41,798,823	29,062,191	32,547,239
One year to three years	12,279,052	8,390,912	5,223,274	3,420,980
Three years to five years	13,587,532	13,464,779	8,161,100	5,759,252
Over five years	130,307,129	122,458,998	74,374,902	70,682,537
	194,626,274	186,113,512	116,821,467	112,410,008



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A18. Loans, Advances and Financing (continued)

(h) Impaired loans, advances and financing

(i) Movement in impaired loans, advances
and financing

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 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)	(60,631)	(81,820)	(46,652)	(61,711)
Transfer to lifetime ECL not credit impaired (Stage 2)	(407,498)	(285,113)	(358,269)	(242,488)
Transfer to lifetime ECL credit impaired (Stage 3)	785,757	757,571	576,638	559,554
Purchases and origination	129,525	453,405	99,779	297,792
Derecognition	(187,735)	(581,479)	(107,613)	(393,580)
Amount written off	(894,970)	(548,226)	(558,196)	(426,865)
Modification of contractual cash flow	(104)	(1,308)	(92)	(1,069)
Disposal of a subsidiary	-	(1,874)	-	-
Exchange differences	19,625	(9,049)	5,083	(1,017)
Balance as at the end of the financial period/year	<u>2,565,251</u>	<u>3,181,282</u>	<u>1,965,075</u>	<u>2,354,397</u>

(ii) By economic sector

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	41,994	49,306	34,050	40,740
Mining and quarrying	3,382	196,348	3,378	4,518
Manufacturing	291,669	405,332	228,666	296,285
Electricity, gas and water	4,228	258,065	1	253,821
Construction	347,073	334,416	307,494	286,425
Wholesale and retail trade and restaurant and hotel	305,645	311,533	194,470	205,386
Transport, storage and communication	272,872	351,259	252,805	336,673
Finance, insurance, real estate and business services	278,155	248,228	242,451	214,185
Education, health and others	6,128	11,878	6,043	2,324
Household sector	981,197	988,055	695,717	710,475
Others	32,908	26,862	-	3,565
	<u>2,565,251</u>	<u>3,181,282</u>	<u>1,965,075</u>	<u>2,354,397</u>



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A18. Loans, Advances and Financing (continued)

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

(iii) By purpose

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	27,416	35,392	18,486	25,048
Purchase of transport vehicles	69,942	66,693	15,586	14,979
Purchase of landed property:				
- Residential	689,437	648,636	492,025	454,832
- Non-residential	421,636	379,793	321,488	273,214
Purchase of property, plant and equipment other than land and building	25,208	28,109	20,848	24,187
Personal use	143,895	191,429	122,024	183,944
Credit card	27,057	27,229	23,759	23,619
Purchase of consumer durables	636	885	636	885
Construction	102,839	97,811	81,807	70,838
Working capital	910,327	1,557,327	786,966	1,191,595
Other purposes	146,858	147,978	81,450	91,256
	2,565,251	3,181,282	1,965,075	2,354,397

(iv) By geographical distribution

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,938,968	1,968,795	1,501,798	1,533,431
Labuan Offshore	18,829	265,901	-	-
Singapore	408,171	761,963	408,171	761,963
Thailand	58,012	61,364	49,613	52,413
Brunei	5,493	6,590	5,493	6,590
Cambodia	125,049	103,851	-	-
Lao	10,729	12,102	-	-
Indonesia	-	716	-	-
	2,565,251	3,181,282	1,965,075	2,354,397



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A18. 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
30 September 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)	257,959	(239,995)	(17,964)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(54,055)	156,701	(102,646)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(9,544)	(93,293)	102,837	-
	194,360	(176,587)	(17,773)	-
Allowance made during the financial period	315,258	322,341	369,144	1,006,743
Bad debts written off	-	-	(752,462)	(752,462)
Changes to model methodologies	34,987	(24,318)	3,426	14,095
Derecognition	(55,820)	(103,006)	(85,088)	(243,914)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Exchange differences	744	6,069	7,796	14,609
Balance as at the end of the financial period	1,301,566	1,359,286	1,134,081	3,794,933
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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A18. 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
30 September 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)	214,443	(200,109)	(14,334)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(42,060)	128,195	(86,135)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(8,931)	(82,893)	91,824	-
	163,452	(154,807)	(8,645)	-
Allowance made/(written back) during the financial period	(101,941)	161,499	269,210	328,768
Bad debts written off	-	-	(513,453)	(513,453)
Changes to model methodologies	35,533	(23,088)	3,371	15,816
Derecognition	(48,393)	(56,223)	(62,179)	(166,795)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Exchange differences	285	799	2,684	3,768
Balance as at the end of the financial period	687,158	915,354	918,601	2,521,113
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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A19. Other Assets

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Other receivables	830,486	920,774	247,879	454,334
Cash collateral in relation to derivative transactions	436,268	407,594	436,268	407,594
Deposits	45,506	43,477	33,865	30,637
Prepayments	147,545	120,392	92,796	67,678
Amount receivable for release of units from funds	187,496	36,355	-	-
Amount due from subsidiaries	-	-	291,278	317,805
	1,647,301	1,528,592	1,102,086	1,278,048



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A20. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Demand deposits	49,523,793	49,511,159	39,769,260	41,522,937
Savings deposits	15,002,032	13,267,557	12,214,016	10,913,587
Fixed/investment deposits	149,461,882	140,273,598	86,174,076	81,455,981
Negotiable instruments of deposits	50,110	418,469	50,110	418,469
	214,037,817	203,470,783	138,207,462	134,310,974

(b) By type of customer

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Government and statutory bodies	19,430,830	20,183,118	5,923,506	6,656,689
Business enterprises	110,484,332	103,449,050	76,524,821	70,758,550
Individuals	76,592,265	72,922,998	49,051,874	50,626,789
Others	7,530,390	6,915,617	6,707,261	6,268,946
	214,037,817	203,470,783	138,207,462	134,310,974

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

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Due within six months	113,620,540	105,692,228	63,709,103	63,247,679
Six months to one year	33,360,735	32,833,137	21,444,944	17,843,488
One year to three years	2,493,142	1,625,159	1,056,217	657,610
Three years to five years	37,575	541,543	13,922	125,673
	149,511,992	140,692,067	86,224,186	81,874,450



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A21. Deposits and Placements of Banks and Other Financial Institutions

	Note	Group		Bank	
		As at	As at	As at	As at
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		RM'000	RM'000	RM'000	RM'000
Licensed banks		11,454,984	16,933,907	16,176,382	20,834,955
Licensed Islamic banks		997,176	948,447	1,412	1,307
Licensed investment banks		951,217	947,073	1,091,937	1,712,484
BNM/Other central banks	(a)	3,859,369	1,983,092	3,717,827	1,861,342
Other financial institutions		887,568	222,667	833,372	200,523
		18,150,314	21,035,186	21,820,930	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.

A22. Investment Account Due To Designated Financial Institutions

	Group	
	As at	As at
	30 September 2021	31 December 2020
	RM'000	RM'000
<u>Restricted Investment Account:</u>		
Mudharabah	348,966	-
<u>By type of counterparty:</u>		
Licensed banks	348,966	-
<u>Investment asset (principal):</u>		
Unquoted securities	348,966	-



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A23. Other Liabilities

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Other creditors and accruals	1,390,837	1,304,456	760,760	504,368
Amount payable for redemption units	327,257	58,430	-	-
Contract liabilities	219,161	244,711	68,250	84,000
Short term employee benefits	328,426	389,914	266,149	298,803
Accrual for operational expenses	228,871	220,404	179,656	171,107
Prepaid instalments	24,159	29,946	24,159	29,946
Cash collateral pledged for derivative transactions	109,062	428,280	109,062	428,280
Structured deposits	806,350	356,712	806,350	356,712
Remisiers' trust deposits	98,682	92,060	-	-
Dividend payable	-	401,005	-	401,005
Amount due to trust funds	194,813	296,396	-	-
Amount due to subsidiaries	-	-	51,673	13,151
	3,727,618	3,822,314	2,266,059	2,287,372



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A24. 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, the Group has on 1 July 2021 set up Group Community Banking and Group Wholesale Banking, in line with a much leaner organisation structure that would reflect the Group's focus and resolve to be more effective in pursuing its business strategies.

The Group has restated the related corresponding segment information arising from the above and the change in revenue sharing for certain treasury related products which 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 Community Banking ('GCB')

GCB comprise Group Retail Banking and Group Small and Medium Enterprises ('SMEs') 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.

Group SME Banking focuses on providing financing solutions to SMEs and family-owned enterprises, as well as trade and cash management solutions for SMEs.

(b) Group Wholesale Banking ('GWB')

GWB comprise the following key business portfolio/functional group:

I. Group Treasury & Global Markets; and

II. Group Corporate Banking and Investment Banking ('Group CBIB') which consist of Group Corporate Banking, Group Investment Banking, Group Asset Management, Group Commercial Banking, Group Transaction Banking and Group Economics.

(i) Group Treasury and Global Markets offers a comprehensive suite of treasury products and solutions including foreign exchange ('FX'), derivatives, capital markets, structured products, money market investments and Islamic Treasury products catering to the hedging and investment needs of our diverse customers in Malaysia, Singapore and Thailand. This segment is also responsible for the overall management of the liquidity and funding needs of the Group as well as for investing excess capital and funds to enhance the returns for the Group.

(ii) Group Corporate Banking provides a comprehensive suite of conventional and Shariah-compliant financing solutions to corporate clients whose shares are listed on stock exchanges locally and/or abroad, multinational companies, government and government agencies and government-linked companies. Financial solutions provided include working capital funding, trade financing, foreign currency hedging, project financing and syndication, as well as funding of corporate exercises.

(iii) Group Investment Banking offers a full range of investment banking products and services covering primary markets, such as advisory (corporate and debt restructuring, mergers and acquisitions, takeovers), fundraising via both equity and debt instruments, and secondary markets including securities trading for both institutional and retail clients. The segment leverages on the Group's regional platforms to provide cross-border transactional services to clients across ASEAN.



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A24. Segmental Reporting (continued)

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

(b) Group Wholesale Banking ('GWB') (continued)

II. Group Corporate Banking and Investment Banking ('Group CBIB') which consist of Group Corporate Banking, Group Investment Banking, Group Asset Management, Group Commercial Banking, Group Transaction Banking and Group Economics (continued).

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

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'.

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

(v) Group Commercial Banking offers a wide range of business solutions ranging from financing, deposits, cash management solutions, trade finance, FX and remittance among others for Commercial customers (Mid-size to Large-Size Private Companies).

(vi) Group Transaction Banking offers a wide range of business solutions ranging from cash management solutions, trade finance and services including supply chain financing solutions among others for SME, Commercial & Large corporates.

(vii) Group Economics which includes Foreign Exchange and Fixed Income Strategy, provides expert advice on Macroeconomic developments as well as local economic and sectoral trends. This segment is also responsible for engaging with corporate and institutional clients to provide advice on economic developments and trends.

(c) 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.

(d) Insurance

RHB Insurance Berhad provides general insurance for retail, SME, commercial and corporate customers.

(e) Support Center and Others

Support Center and Others comprise results from other business segments in the Group (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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A24. Segmental Reporting (continued)

Nine months ended 30 September 2021

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
External revenue	2,774,570	2,688,996	532,238	191,733	(318,163)	-	5,869,374
Inter-segment revenue	-	18,061	937	(3,131)	28,476	(44,343)	-
Segment revenue	2,774,570	2,707,057	533,175	188,602	(289,687)	(44,343)	5,869,374
Other operating expenses	(1,417,763)	(688,351)	(358,357)	(84,713)	(107,105)	44,343	(2,611,946)
Including:							
- Depreciation of property, plant and equipment	(58,907)	(15,893)	(12,589)	(1,578)	(176)	-	(89,143)
- Depreciation of right of use assets	(24,981)	(12,867)	(13,383)	(1,710)	(177)	-	(53,118)
- Amortisation of intangible assets	(59,657)	(20,216)	(10,080)	(2,672)	-	-	(92,625)
Allowance for credit losses on financial assets	(361,544)	(191,693)	(99,928)	2,247	-	-	(650,918)
Impairment losses made on other non-financial assets	-	(314)	-	-	-	-	(314)
Profit before taxation and zakat	995,263	1,826,699	74,890	106,136	(396,792)	-	2,606,196
Taxation and zakat							(614,325)
Net profit for the financial period							<u>1,991,871</u>



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A24. Segmental Reporting (continued)

As at 30 September 2021

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Total RM'000
Segment assets	119,901,835	120,256,630	36,483,598	1,593,664	1,230,359	279,466,086
Investments in associates and joint venture						12
Tax recoverable						167,648
Deferred tax assets						280,100
Unallocated assets						1,019,346
Total assets						<u>280,933,192</u>
Segment liabilities	101,494,196	108,200,767	30,031,514	1,171,858	198,877	241,097,212
Provision for taxation and zakat						248,082
Deferred tax liabilities						40
Borrowings						201,521
Senior debt securities						5,779,866
Subordinated obligations						3,236,504
Unallocated liabilities						2,478,899
Total liabilities						<u>253,042,124</u>



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A24. Segmental Reporting (continued)

Nine months ended 30 September 2020

	Continuing Operations								
	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	Total RM'000	Discontinued Operation RM'000	Total RM'000
External revenue	2,632,962	2,348,017	444,684	231,158	(539,126)	-	5,117,695	95,207	5,212,902
Inter-segment revenue	17,018	25,098	690	(2,995)	(1,593)	(38,218)	-	-	-
Segment revenue	2,649,980	2,373,115	445,374	228,163	(540,719)	(38,218)	5,117,695	95,207	5,212,902
Other operating expenses	(1,347,745)	(715,418)	(309,366)	(89,134)	(73,893)	38,218	(2,497,338)	(61,140)	(2,558,478)
Including:									
- Depreciation of property, plant and equipment	(56,414)	(14,200)	(10,150)	(1,581)	(188)	-	(82,533)	(978)	(83,511)
- Depreciation of right of use assets	(24,963)	(12,907)	(12,937)	(1,945)	(555)	-	(53,307)	(3,801)	(57,108)
- Amortisation of intangible assets	(58,115)	(17,521)	(8,587)	(2,510)	-	-	(86,733)	(2,250)	(88,983)
Allowance for credit losses on financial assets	(359,337)	(113,522)	(71,478)	3,832	(156)	-	(540,661)	(937)	(541,598)
Impairment losses made on other non-financial assets	-	(9,500)	-	-	-	-	(9,500)	-	(9,500)
Profit/(Loss) before taxation and zakat	942,898	1,534,675	64,530	142,861	(614,768)	-	2,070,196	33,130	2,103,326
Taxation and zakat							(505,046)	1,531	(503,515)
Net profit/(loss) for the financial period							1,565,150	34,661	1,599,811



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A24. Segmental Reporting (continued)

As at 31 December 2020

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Total RM'000
Segment assets	115,763,923	118,809,470	32,057,015	1,634,295	1,343,384	269,608,087
Investments in associates and joint venture						12
Tax recoverable						289,969
Deferred tax assets						35,338
Unallocated assets						1,216,552
Total assets						<u>271,149,958</u>
Segment liabilities	93,379,558	113,216,688	26,619,204	1,167,613	405,510	234,788,573
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						2,170,751
Total liabilities						<u>244,093,394</u>



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A25. Valuation of Property, Plant and Equipment

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

A26. Events Subsequent to Balance Sheet Date

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

- (a) RHB Bank had on 6 October 2021 fully redeemed its existing USD500 million senior unsecured notes in nominal value issued under its USD5 billion euro medium term note programme in October 2016.
- (b) RHB Research Institute Singapore Pte Ltd ('RHBRIS'), a wholly-owned subsidiary of the Bank, had on 11 October 2021 held its final general meeting for its dissolution, and the Liquidator's Statement of Accounts on Winding Up will be lodged with the Accounting and Corporate Regulatory Authority and the Official Receiver to wind up RHBRIS by way of Member's Voluntary Winding Up pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).
- (c) On 13 October 2021, RHB Nominees Singapore Pte Ltd and Summit Nominees Pte Ltd, wholly-owned subsidiaries of the Bank, had convened its extraordinary general meeting to approve the Member's Voluntary Winding Up pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).
- (d) RHB Asset Management Limited and RHB Capital Hong Kong Limited, indirect wholly-own subsidiaries of the Bank, had been dissolved on 15 October 2021 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong, as further disclosed in Note B6(a).
- (e) On 14 October 2021, BNM has announced that B50 individuals who continue to be affected by the COVID-19 pandemic and are under an existing repayment assistance program, may start applying for financial assistance under the Financial Management and Resilience Programme ('URUS') managed by Agensi Kaunseling dan Pengurusan Kredit ('AKPK') from 15 November 2021 until 31 January 2022. Under URUS, AKPK will provide the customer with a personalised financial plan that is developed holistically, taking into account the customer's financial circumstances and ability to afford repayment of all the customer's financing obligations. The financial plan will encompass options of either an interest or profit waiver of three months or an interest or profit waiver of three months together with reduced instalments of up to 24 months.

Arising from this, where the original contractual terms of the loans, advances and financing have been modified for credit reasons and the loans, advances and financing have not been derecognised, this may result in modification loss to be recognised in the income statements, with a corresponding decrease in the gross carrying value of the loans, advances and financing.

- (f) The Bank has on 15 November 2021 injected additional capital of LAK39.7 billion (equivalent to RM15.6 million) into its wholly owned subsidiary, RHB Bank Lao Limited ('RHB Bank Lao'). As a result, the issued share capital of RHB Bank Lao increased from LAK380.9 billion to LAK420.6 billion.



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A27. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the nine months ended 30 September 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).
- (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).
- (c) Capital repayment from RHB Investment Bank Berhad ('RHB Investment Bank')

RHB Investment Bank has sought and obtained approval via a special resolution to reduce its issued and paid up ordinary share capital pursuant to Section 117 of the Companies Act 2016 ('CA 2016') on 12 January 2021. Following the approval and confirmation received from Companies Commission of Malaysia ('CCM') on 2 April 2021 that all the requirements of CA 2016 with respect to reduction of share capital have been complied with, the reduction of the issued and paid-up ordinary share capital of RHB Investment Bank has on the same date been 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.
- (d) On 15 July 2021, RHBIB Nominees (Asing) Sdn Bhd and Utama Gilang Sdn Bhd, an indirect and a direct wholly-owned subsidiary of the Bank respectively, had been dissolved pursuant to Section 459(5) of the Companies Act 2016.



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A28. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position

(a) Commitments and Contingencies

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

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Direct credit substitutes	1,343,296	1,219,814	1,339,180	1,219,050
Transaction-related contingent items	2,759,069	3,202,339	2,419,516	2,865,660
Short term self-liquidating trade-related contingencies	1,099,417	903,594	1,051,967	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	5,230,827	4,915,427	5,230,827	5,223,433
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	461,981	5,843	461,981	-
Irrevocable commitments to extend credit				
- Maturity less than one year	1,791,941	1,727,065	744,630	594,618
- Maturity more than one year	31,978,724	29,238,089	21,401,849	19,585,676
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	15,841,336	16,212,542	13,385,687	13,805,758
Foreign exchange related contracts [^]				
- Less than one year	45,815,564	55,476,927	46,962,048	58,071,384
- One year to less than five years	2,984,395	3,397,368	3,089,038	3,497,906
- More than five years	648,670	1,141,832	648,670	1,141,832
Commodity related contracts [^]				
- Less than one year	76,261	374,040	76,261	374,040
- One year to less than five years	160,785	181,225	160,785	181,225
Equity related contracts [^]				
- Less than one year	1,222,157	451,701	1,222,157	458,784
- One year to less than five years	22,987	-	22,987	-
Interest rate related contracts [^]				
- Less than one year	8,487,264	8,933,780	11,147,264	12,453,887
- One year to less than five years	26,030,040	20,627,991	28,030,040	22,292,883
- More than five years	6,939,356	9,470,841	8,739,356	11,585,841
	152,894,070	157,480,418	146,134,243	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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A28. 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 30 September 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 30 September 2021, the Group has contingent liabilities amounting to approximately RM72 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.

A29. Capital Commitments

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for:				
- Property, plant and equipment	303,019	206,086	268,153	182,260
- Investment securities	1,094	13,266	-	-
	304,113	219,352	268,153	182,260



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A30. 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.

Pursuant to Capital Adequacy Framework (Basel II – Risk Weighted Assets), RHB Islamic Bank will not apply prudential capital floors on Risk Weighted Assets effective from 30 September 2021 upon completion of a three-year Internal Rating Based approach implementation.

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 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	7,262,933	6,994,103	7,262,933	6,994,103
Retained profits	18,191,110	17,339,102	14,383,320	13,660,680
Other reserves	720,634	556,644	487,970	444,776
FVOCI reserves	610,498	1,817,650	565,216	1,541,980
	26,785,175	26,707,499	22,699,439	22,641,539
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(550,595)	(533,609)	(491,733)	(487,937)
Deferred tax assets	(400,289)	(352,107)	(290,197)	(247,523)
55% of cumulative gains arising from change in value of FVOCI instruments	(335,774)	(999,707)	(310,869)	(848,089)
Investments in subsidiaries	(102,425)	(102,425)	(4,432,719)	(4,701,080)
Investments in associates and joint venture	(12)	(12)	-	-
Other deductions [#]	(12,112)	(19,504)	(11,459)	(21,261)
Total CET I Capital	22,745,770	22,061,937	15,447,549	14,620,736
Qualifying non-controlling interests recognised as Tier I Capital	184	210	-	-
Total Tier I Capital	22,745,954	22,062,147	15,447,549	14,620,736
Tier II Capital				
Subordinated obligations meeting all relevant criteria	2,249,212	1,749,531	2,249,212	1,749,531
Qualifying capital instruments of a subsidiary issued to third parties ⁺	431,876	465,001	-	-
Surplus eligible provisions over expected losses	525,126	538,079	390,677	401,269
General provisions [^]	164,251	179,727	79,343	85,599
Total Tier II Capital	3,370,465	2,932,338	2,719,232	2,236,399
Total Capital	26,116,419	24,994,485	18,166,781	16,857,135



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A30. Capital Adequacy Ratio (continued)

	Group		Bank [@]	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.027%	16.416%	15.956%	14.945%
Tier I Capital Ratio	17.027%	16.416%	15.956%	14.945%
Total Capital Ratio	19.550%	18.598%	18.765%	17.231%
After proposed dividends and DRP:				
CET I Capital Ratio	16.832% *	16.188% **	15.687% *	14.632% **
Tier I Capital Ratio	16.832%	16.188%	15.687%	14.632%
Total Capital Ratio	19.355%	18.370%	18.496%	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 RM12,032,000 (31 December 2020: RM12,200,000).

^{*} Pursuant to Note B6(b), in arriving at the capital adequacy ratios as at 30 September 2021, where an irrevocable written undertaking from shareholder to reinvest the electable portion of the dividend into new ordinary shares of the Bank is obtained, the amount of deduction of proposed interim dividend from CET I capital ratio may reduce by the amount used to purchase new ordinary shares issued by the Bank in accordance with BNM's Implementation Guide on Capital Adequacy Framework (Capital Components) dated 9 December 2020.

^{**} 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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A30. Capital Adequacy Ratio (continued)

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

	RHB Islamic Bank		RHB Investment Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,220,000	1,487,773
Retained profits	3,282,892	2,896,031	377,215	331,261
FVOCI reserves	3,808	224,848	40,796	47,839
	4,960,124	4,794,303	1,638,011	1,866,873
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(719,096)	(720,426)
Intangible assets (include associated deferred tax liabilities)	(2,508)	(2,767)	(27,169)	(24,296)
Deferred tax assets	(89,472)	(78,167)	(13,356)	(17,985)
55% of cumulative gains arising from change in value of FVOCI instruments	(2,094)	(123,666)	(22,438)	(26,311)
Other deductions [#]	(707)	(2,643)	(53)	-
Total CET I Capital/Tier I Capital	4,865,343	4,587,060	483,504	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	134,632	137,002	-	-
General provisions [^]	66,239	69,026	10,562	9,921
Total Tier II Capital	950,871	956,028	210,562	209,921
Total Capital	5,816,214	5,543,088	694,066	915,381
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	16.012%	14.877%	24.465%	36.116%
Tier I Capital Ratio	16.012%	14.877%	24.465%	36.116%
Total Capital Ratio	19.141%	17.977%	35.119%	46.862%
After proposed dividends:				
CET I Capital Ratio	16.012%	14.714%	24.465%	36.116%
Tier I Capital Ratio	16.012%	14.714%	24.465%	36.116%
Total Capital Ratio	19.141%	17.815%	35.119%	46.862%



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A30. 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 RM54,073,000 (31 December 2020: RM54,526,000) and RM10,534,000 (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
30 September 2021				
Credit risk	117,707,890	85,693,654	27,791,303	844,962
Market risk	2,824,446	2,360,541	112,871	199,998
Operational risk	13,054,078	8,757,474	2,481,612	931,349
Total risk-weighted assets	<u>133,586,414</u>	<u>96,811,669</u>	<u>30,385,786</u>	<u>1,976,309</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.

[^] Pursuant to Capital Adequacy Framework (Basel II – Risk Weighted Assets), RHB Islamic Bank will not apply prudential capital floors on Risk Weighted Assets effective from 30 September 2021 upon completion of a three-year Internal Rating Based approach implementation.



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A30. 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 30 September 2021 RM'000	As at 31 December 2020 RM'000
Before proposed dividends:		
Solvency ratio	17.443%	18.819%
After proposed dividends:		
Solvency ratio	17.443%	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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A31. Operations of Islamic Banking

(a) Statement of Financial Position as at 30 September 2021

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
ASSETS				
Cash and short-term funds	7,929,601	2,259,802	-	-
Deposits and placements with banks and other financial institutions	2,026,553	2,410,219	-	-
Financial assets at FVTPL	-	107,678	-	-
Financial assets at FVOCI	4,908,985	6,409,937	-	-
Financial investments at amortised cost	5,291,202	4,577,078	-	-
Financing and advances	71,790,430	67,675,470	974,358	996,810
Other assets	451,675	417,837	136,140	96,937
Derivative assets	35,003	6,573	-	-
Statutory deposits	20,000	12,000	-	-
Deferred tax assets	87,749	6,794	-	-
Right of use assets	2,141	4,750	-	-
Property, plant and equipment	3,229	3,944	-	-
Intangible assets	3,028	3,133	-	-
Total assets	92,549,596	83,895,215	1,110,498	1,093,747
LIABILITIES				
Deposits from customers	66,875,150	60,830,175	-	-
Deposits and placements of banks and other financial institutions	3,288,447	2,879,907	1,044,258	1,032,244
Investment account due to designated financial institutions	348,966	-	-	-
Bills and acceptances payable	8,350	12,182	-	-
Other liabilities	232,291	526,778	183	-
Derivative liabilities	25,044	193,402	-	-
Recourse obligation on financing sold to Cagamas	2,030,535	3,023,760	-	-
Provision for taxation and zakat	154,652	52,548	-	-
Lease liabilities	2,147	4,840	-	-
Subordinated obligations	763,118	754,514	-	-
Total liabilities	73,728,700	68,278,106	1,044,441	1,032,244
Islamic Banking Funds	18,820,896	15,617,109	66,057	61,503
Total liabilities and Islamic Banking Funds	92,549,596	83,895,215	1,110,498	1,093,747
Commitments and contingencies	28,433,408	18,555,062	47,702	36,157



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A31. Operations of Islamic Banking (continued)

(b) Income Statement for the Nine Months Ended 30 September 2021

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	727,742	659,273	2,176,701	2,068,589
Income derived from investment account funds	87,854	83,036	262,846	278,116
Income derived from investment of shareholders' funds	85,326	17,983	204,809	158,726
Net modification loss	(73,492)	-	(94,089)	(232,788)
Allowance for credit losses	(50,329)	(71,143)	(171,724)	(133,565)
Total distributable income	777,101	689,149	2,378,543	2,139,078
Income attributable to depositors	(347,281)	(404,620)	(1,069,637)	(1,308,128)
Profit distributed to investment account holders	(7,370)	-	(14,801)	-
	422,450	284,529	1,294,105	830,950
Personnel expenses	(6,110)	(6,895)	(20,411)	(22,068)
Other overheads and expenditures	(91,597)	(92,963)	(288,255)	(271,314)
Profit before taxation and zakat	324,743	184,671	985,439	537,568
Taxation and zakat	(49,982)	(49,890)	(177,034)	(72,111)
Net profit for the financial period	274,761	134,781	808,405	465,457

Statement of Comprehensive Income for the Nine Months Ended 30 September 2021

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	274,761	134,781	808,405	465,457
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)/gain on revaluation	(36,012)	90,423	(199,128)	232,230
- Net transfer to income statement on disposal	(25,115)	(12,176)	(91,714)	(35,167)
- Changes in expected credit losses	410	371	74	(223)
Income tax relating to components of other comprehensive loss/(income)	14,671	(18,779)	69,802	(47,296)
Other comprehensive (loss)/income, net of tax, for the financial period	(46,046)	59,839	(220,966)	149,544
Total comprehensive income for the financial period	228,715	194,620	587,439	615,001



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A31. Operations of Islamic Banking (continued)

(b) Income Statement for the Nine Months Ended 30 September 2021

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	2,614	2,617	8,117	10,263
Income derived from investment of shareholders' funds	-	-	15	78
Allowance for credit losses	76	(7,173)	(194)	(9,587)
Total distributable income/(loss)	2,690	(4,556)	7,938	754
Income attributable to depositors	(1,359)	(1,236)	(4,049)	(7,872)
	1,331	(5,792)	3,889	(7,118)
Personnel expenses	-	(255)	-	(990)
Other overheads and expenditures	-	(1)	-	(22)
Profit/(Loss) before taxation	1,331	(6,048)	3,889	(8,130)
Taxation	-	-	-	-
Net profit/(loss) for the financial period	1,331	(6,048)	3,889	(8,130)

Statement of Comprehensive Income for the Nine Months Ended 30 September 2021

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit/(loss) for the financial period	1,331	(6,048)	3,889	(8,130)
Total comprehensive income/(loss) for the financial period	1,331	(6,048)	3,889	(8,130)



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A31. Operations of Islamic Banking (continued)

(d) Financing and Advances

	Group		Bank	
	As at 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cashline	1,003,936	856,366	-	-
Term financing				
- Housing financing	23,342,041	21,169,443	-	-
- Syndicated term financing	3,083,619	3,067,225	-	-
- Hire purchase receivables	8,801,903	8,598,499	-	-
- Other term financing	31,938,461	30,582,237	981,553	1,003,732
Bills receivables	458,873	386,964	-	-
Trust receipts	64,348	37,079	-	-
Claims on customers under acceptance credits	1,132,199	764,298	-	-
Share margin financing	2,897	2,546	-	-
Staff financing	11,582	10,941	-	-
Credit/charge card receivables	255,819	273,966	-	-
Revolving financing	2,353,477	2,464,088	-	-
Gross financing and advances	72,449,155	68,213,652	981,553	1,003,732
Less: Allowance for credit losses	(658,725)	(538,182)	(7,195)	(6,922)
Net financing and advances	71,790,430	67,675,470	974,358	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)	(11,818)	(15,918)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(49,229)	(42,625)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	181,004	176,565	-	-
Purchases and origination	24,452	26,127	3,789	-
Derecognition	(70,553)	(104,208)	-	-
Amount written off	(68,229)	(70,664)	-	-
Modification of contractual cash flow	(12)	(239)	-	-
Exchange differences	(19)	-	(19)	-
Balance as at the end of the financial period/year	440,803	435,207	3,770	-



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A31. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

(ii) Movement in allowance for credit losses

Group	Lifetime ECL		Lifetime ECL	Total
	12-month ECL (Stage 1)	not credit impaired (Stage 2)	credit impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
30 September 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)	36,534	(32,904)	(3,630)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(11,731)	28,243	(16,512)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(580)	(7,420)	8,000	-
	24,223	(12,081)	(12,142)	-
Allowance made/(written back) during the financial period	(23,269)	132,140	90,287	199,158
Bad debts written off	-	-	(42,516)	(42,516)
Changes to model methodologies	(547)	(1,230)	55	(1,722)
Derecognition	(3,673)	(10,683)	(20,100)	(34,456)
Exchange differences	98	-	(19)	79
Balance as at the end of the financial period	160,390	303,165	195,170	658,725
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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A31. 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)	impaired	impaired	
	RM'000	(Stage 2)	(Stage 3)	RM'000
30 September 2021				
Balance as at the beginning of the financial period	6,922	-	-	6,922
Allowance made/(written back) during the financial period	(3,595)	-	3,789	194
Exchange differences	98	-	(19)	79
Balance as at the end of the financial period	<u>3,425</u>	<u>-</u>	<u>3,770</u>	<u>7,195</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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A31. Operations of Islamic Banking (continued)

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
(e) Other Assets				
Prepayments	30,377	27,588	-	-
Deposits	1,519	1,535	-	-
Other receivables	419,779	388,714	136,140	96,937
	451,675	417,837	136,140	96,937

	Group	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
(f) Deposits from Customers		
Saving Deposits		
- Qard	2,574,772	2,094,100
Demand Deposits		
- Qard	6,553,333	5,981,871
- Commodity Murabahah	2,663,087	1,464,521
Term Deposits		
- Commodity Murabahah	48,126,770	42,962,476
Specific Investment Account		
- Commodity Murabahah	6,956,736	8,289,588
General Investment Account		
- Mudharabah	452	37,619
	66,875,150	60,830,175



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B1. Review of Group Results

(a) Current Financial Period vs Previous Financial Period

The Group recorded a net profit of RM1,987.2 million for the nine months ended 30 September 2021, 24.7% higher from RM1,593.9 million recorded a year ago. The year-on-year earnings improvement was mainly due to higher net fund based income and lower net modification loss, partially offset by higher allowances for credit losses, higher operating expenses and lower non-fund based income.

Net fund based income improved to RM4,340.8 million, driven by proactive funding cost management, which dropped 28.9% year-on-year supported by CASA growth of 4.8%.

Non-fund based income declined by 2.0% to RM1,737.9 million from a year ago driven by lower net trading and investment income, as well as lower net foreign exchange gain and derivatives, partly offset by higher commercial banking, capital market and wealth management fee income, and higher insurance underwriting surplus.

Operating expenses increased by 4.6% from a year ago at RM2,611.9 million. With positive JAWS, cost-to-income ratio improved to 44.5% compared with 48.8% a year ago.

The Group remained prudent and continued to be proactive by setting aside additional provisions to cater for potential adverse impact to asset quality. Consequently, expected credit losses increased by 20.4% from the previous corresponding period to RM650.9 million with the annualised credit charge ratio standing at 0.45% compared with 0.39% for the same period last year.

Total assets of the Group increased by 3.6% from December 2020 to RM280.9 billion as at 30 September 2021. Net assets per share was at RM6.85, with shareholders' equity at RM27.9 billion as at 30 September 2021.

The Group's gross loans and financing grew by 6.7% year-on-year to RM194.6 billion, mainly supported by growth in mortgage, corporate, SME and Singapore. Domestic loans and financing grew 4.4% year-on-year.

Customer deposits increased by 8.8% year-on-year to RM214.0 billion, predominantly attributed to CASA growth of 4.8%, and fixed and money market time deposits of 11.2%. CASA composition stood at 30.1% as at 30 September 2021.

Gross impaired loans was at RM2.6 billion as at 30 September 2021, with gross impaired loans ratio of 1.32% compared with RM3.1 billion and 1.69% respectively as at 30 September 2020. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained strong at 147.9% as at end-September 2021.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
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B1. Review of Group Results

(b) Performance by Operating Segment

(i) GCB

GCB reported a pre-tax profit of RM995.3 million for the first nine months ended 30 September 2021, 5.6% higher than previous year. This was mainly attributed to higher net fund based income and non-fund based income, partially offset by higher operating expenses and allowances for credit losses.

Gross loans and financing was at RM120.8 billion, 4.8% higher year-on-year, primarily driven by growth in mortgages, SME and auto financing.

Total deposits increased by 9.4% year-on-year to RM99.0 billion as at 30 September 2021, contributed by growth in fixed deposits and CASA.

(ii) GWB

GWB posted a pre-tax profit of RM1,826.7 million, 19.0% higher from previous year. This is on the back of higher net fund based income, higher fee income and lower operating expenses, partially offset by lower net trading and investment income and higher expected credit losses.

Gross loans and financing increased by 3.6% year-on-year to RM50.0 billion. Total deposits increased by 7.2% to RM90.7 billion mainly due to increase in money market time deposits, partly offset by decline in current account.

(iii) Group International Business

Group International Business recorded a pre-tax profit of RM74.9 million, 16.1% higher as compared to same period last year.

RHB Bank Singapore recorded a pre-tax profit of SGD10.5 million, 2.3% higher than the previous year. This was mainly due to higher net fund based income and non-fund based income, partially offset by higher operating expenses and expected credit losses. Singapore loans and advances increased by 27.9% year-on-year to SGD6.3 billion, while deposits increased by 11.7% to SGD6.5 billion.

RHB Bank Cambodia recorded a pre-tax profit of USD13.7 million, 20.4% higher than the previous year. This was mainly due to higher net fund based income and expected credit losses written back, partially offset by lower non-fund based income and higher operating expenses. Cambodia loans and advances increased by 12.9% year-on-year to USD647.2 million, while deposits increased by 2.2% to USD572.4 million.

(iv) Insurance

RHB Insurance Berhad registered a pre-tax profit of RM106.1 million, 25.7% lower than previous year. This is attributed to a decline in net investment income, partially offset by higher underwriting surplus and lower operating expenses.



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B2. Current Quarter vs Previous Quarter

Net profit of the Group decreased by 9.4% to RM635.6 million from RM701.3 million recorded in the preceding quarter ended 30 June 2021. This was primarily due to higher net modification loss and higher allowances for credit losses, partially offset by higher net fund based income and non-fund based income.

B3. Prospects for Financial Year 2021

As we enter the last quarter of the year, we expect the economy to be on a recovery path premised on the high vaccination rate nationwide, continued relaxation of MCO measures, including the lifting of the inter-state travel ban and reopening of more economic activities.

The Group will continue to extend financial relief to our affected customers who require assistance through our repayment assistance programme, whilst assistance package of URUS and FIRST will help affected borrowers to reduce their burden of making their financial commitments as they graduate towards normalisation of repayment on the back of improving economic and business activities. With the recovery expected to be uneven, we will continue to remain vigilant. Nevertheless, the banking sector is expected to remain resilient, supported by strong capital and liquidity levels, and the proactive provisioning that has been made since last year. On the monetary front, while MGS yield across all maturities has been trending upwards, we expect OPR to remain stable for the rest of the year.

We will stay the course with our FIT22 initiatives to improve business performance through digitalisation and AGILE way of working, continued focus on improving customer experience and enhancing enterprise 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

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	203,850	266,349	612,338	567,640
- Overseas tax	7,619	5,182	22,558	9,027
Deferred tax	(21,950)	(58,788)	(25,497)	(74,913)
	<u>189,519</u>	<u>212,743</u>	<u>609,399</u>	<u>501,754</u>
Under/(Over) provision in respect of prior financial years	-	-	558	(344)
Tax expense	<u>189,519</u>	<u>212,743</u>	<u>609,957</u>	<u>501,410</u>
Zakat	1,500	1,363	4,368	3,636
	<u>191,019</u>	<u>214,106</u>	<u>614,325</u>	<u>505,046</u>

The effective tax rate of the Group for the third quarter and nine months ended 30 September 2021 was lower than the statutory tax rate mainly due to certain income not subject to tax.

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period				
- Malaysian income tax	165,140	160,835	466,624	415,316
- Overseas tax	1,778	-	2,159	782
Deferred tax	(12,599)	(14,919)	(10,849)	(36,108)
	<u>154,319</u>	<u>145,916</u>	<u>457,934</u>	<u>379,990</u>
Over provision in respect of prior financial years	-	-	(1,752)	-
	<u>154,319</u>	<u>145,916</u>	<u>456,182</u>	<u>379,990</u>

The effective tax rate of the Bank for the third quarter and nine months ended 30 September 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, RHB Asset Management Limited and RHB Capital Hong Kong Limited, have been dissolved as disclosed in Notes A27(b) and A26(d).

(b) Proposed establishment of a Dividend Reinvestment Plan

On 17 December 2020, the Bank announced that as part of its capital management plan and to enhance the Bank's shareholders' value, the Bank has proposed to undertake a dividend reinvestment plan that provides the shareholders with the option to elect to reinvest their cash dividend declared by the Bank into new ordinary shares in the Bank ('RHB Bank Shares'), hereinafter referred to as Dividend Reinvestment Plan ('DRP'). Approval from shareholders for the DRP and the issuance of new shares arising from the DRP was obtained at the Annual General Meeting held on 25 May 2021.

The DRP further provides that whenever a cash dividend (either an interim, final, special or other dividend) is proposed, the Board may, in its absolute discretion, determine that the DRP to be applied to the whole or a portion of the cash dividend and where applicable, any remaining portion of the dividend will be paid in cash.

On 27 August 2021, the Board of Directors of the Bank ('Board') had declared a single-tier interim dividend of 15.00 sen per share in respect of the financial year ending 31 December 2021 ('Interim Dividend'), consisting of cash portion of 5.00 sen per share and an electable portion of 10.00 sen per share. The Board had also determined that the existing DRP as mentioned above shall apply to the electable portion of the said Interim Dividend.

The Bank had on 9 September 2021, submitted an application to Bursa Securities Malaysia Berhad ('Bursa Securities') for the listing and quotation of new ordinary shares to be issued pursuant to the DRP on the main market of Bursa Securities. On 13 September 2021, RHB Investment Bank, on behalf of the Bank, announced that Bursa Securities had vide its letter dated 10 September 2021, approved the listing and quotation of up to 110,553,264 new ordinary shares to be issued pursuant to the DRP subject to the following conditions:

- (i) The Bank and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the DRP;
- (ii) The Bank and RHB Investment Bank to inform Bursa Securities upon completion of the DRP;
- (iii) The Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the DRP is completed; and
- (iv) Payment of additional listing fee, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable.



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B6. Status of Corporate Proposals (continued)

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

On 22 September 2021, the issue price of the new RHB Bank Shares to be issued pursuant to the DRP for the Interim Dividend has been fixed at RM4.69 per new RHB Bank Share. On even date, the book closure date pursuant to the Interim Dividend and the DRP has been fixed for 6 October 2021.

On 29 October 2021, RHB Investment Bank, on behalf of the Bank, announced that the Bank would be issuing 74,558,388 new RHB Bank shares, representing 85.96% of the total number of 86,735,242 new RHB Bank shares that would have been issued pursuant to the DRP for the Interim Dividend, had all the entitled shareholders elect to reinvest their respective electable portions of the Interim Dividend into new RHB Bank shares.

The new RHB Bank Shares arising from the DRP has been issued and allotted on 3 November 2021, and are listed on the Main Market of Bursa Securities on 5 November 2021.

(c) Memorandum of understanding ('MOU') with Axiata Group Berhad ('Axiata Group')

On 2 June 2021, the Bank entered into a MOU with Axiata Group to jointly explore potential collaboration opportunities including to jointly apply to BNM for a digital banking license. The proposed Axiata entity selected to collaborate with the Bank for the joint application for the digital bank license is Boost Holdings Sdn Bhd ('Boost Holdings').

The Board of Directors of the Bank and Boost Holdings have entered into a heads of agreement ('HOA') setting out the terms of the proposed application to BNM for a digital banking license. The Bank and Boost Holdings will collectively be the 'Parties' and individually, the 'Party'. The key salient terms of the HOA are as follows:

(i) Identity of the digital bank

The Parties will as soon as reasonably practicable following the date of this HOA, discuss in good faith and agree whether the digital bank will be a new company which will be incorporated for the purposes of the application or will be an existing entity named as Axiata Digital Capital Sdn Bhd ('Aspirasi').

If regulatory requirements and/or directions require so, the Parties agree to discuss in good faith and identify an alternative entity which fulfils any such relevant requirements and/or directions as soon as practicable.

(ii) Submission of the application of the digital bank license

The Parties shall use all reasonable and commercial endeavours to submit the application to BNM for the digital bank on or before 30 June 2021 ('Submission Date').

(iii) Capital requirements of the digital bank

The Parties agree that the minimum initial issued share capital of the digital bank as required by BNM under applicable laws shall be RM100 million unimpaired by losses or any other amount as is required by BNM pursuant to any applicable laws.

(iv) Contribution of assets into the digital bank

The Parties agree that as soon as possible after the date of this HOA but prior to the Submission Date, to agree in writing, the multiples which will be applied in arriving at a valuation of the business of Aspirasi, either as the applicant of the digital bank license or the assets of Aspirasi to be injected into the digital bank.

The Parties agree that as soon as possible after the date of this HOA but prior to the Submission Date, to identify other assets that can be injected into the digital bank and the valuation of such assets.

The Parties agree that any additional assets to be injected into the digital bank shall as soon as possible after the date of this HOA but prior to the Submission Date be clearly identified and subject to due diligence and thereafter mutually agree in writing the multiples which will be applied in arriving at the valuation of the additional assets.



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B6. Status of Corporate Proposals (continued)

(c) Memorandum of understanding ('MOU') with Axiata Group Berhad ('Axiata Group') (continued)

The Board of Directors of the Bank and Boost Holdings have entered into a heads of agreement ('HOA') setting out the terms of the proposed application to BNM for a digital banking license. The Bank and Boost Holdings will collectively be the 'Parties' and individually, the 'Party'. The key salient terms of the HOA are as follows (continued):

(v) Shareholding structure of the digital bank

Boost Holdings shall hold 60% of the equity share capital of the digital bank, with the Bank holding the remaining 40% of the equity share capital, subject to BNM's approval.

(vi) Other transaction documents

The Parties shall, as soon as reasonably practicable following the date of the HOA but before the Submission Date:

- agree the details of the number of shares they will each subscribe for and the subscription price per share ('Subscription Agreement'); and
- confirm the agreed terms or form of the shareholders' agreement which will govern the relationship between the Parties as regards the digital bank ('Shareholders' Agreement').

The agreed form of the Subscription Agreement and the Shareholders' Agreement shall be executed on a date to be agreed between the Parties, being a date as soon as reasonably practicable following BNM's approval of the application for the digital bank license.

(vii) Target segment of the digital bank

The Parties agree that the digital bank shall focus on the segments of the market who are underserved, unserved and/or unbanked primarily within Malaysia.

(viii) Termination

The HOA may be terminated in the following circumstances:

- (a) the digital bank application has been notified by BNM as unsuccessful;
- (b) BNM has notified Parties that the digital bank application will not be processed without material changes which will negatively impact on the commercially agreed arrangement of the Parties in relation to the digital bank;
- (c) BNM, during its initial consultation stages recommends Parties to materially change their intended commercial arrangements in respect of the digital bank whereby such recommendations are not able to be resolved between Parties;
- (d) BNM imposes conditions on the grant of the digital bank licence which the Parties are unable to comply with or which would materially and negatively impact on the commercially agreed scope of the joint-venture or either Parties;
- (e) where the due diligence performed on assets (which includes Aspirasi) that is to be injected into the digital bank reveals that there are material issues or material gap in information which cannot be resolved which will result in a negative impact to the Parties;
- (f) where subsequent due diligence performed on agreed assets (which includes Aspirasi) after submission but prior to operationalisation reveals that there are fraud or material breaches of any applicable laws which would result in material reputational damage to the Parties which the Parties cannot resolve;
- (g) the valuation methodology (valuation multiples or range) of Aspirasi or any identified assets to be injected to the digital bank cannot be agreed upon in good faith by the Parties; and
- (h) the non-terminating Party fails to rectify a breach within thirty (30) days upon notice.



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B6. Status of Corporate Proposals (continued)

(c) Memorandum of understanding ('MOU') with Axiata Group Berhad ('Axiata Group') (continued)

The Board of Directors of the Bank and Boost Holdings have entered into a heads of agreement ('HOA') setting out the terms of the proposed application to BNM for a digital banking license. The Bank and Boost Holdings will collectively be the 'Parties' and individually, the 'Party'. The key salient terms of the HOA are as follows (continued):

(viii) Termination (continued)

Further, the HOA will be terminated upon execution of the Subscription Agreement and Shareholders Agreement and any other transaction documents to be entered into between the Parties required for the formation for the digital bank.

(ix) Exclusivity

The Parties agree that it shall not, and shall procure that no member of its group and/or any of its or any other member of its group's employees and agents, shall make any discussions or negotiations with any other person on matters covered under this HOA until BNM notifies the Parties that the application for the digital bank license has been unsuccessful.

The rationale of the HOA is to set out the terms of the joint application to BNM for the digital banking license and the conduct, funding and formation of the digital bank.

The joint application for the digital bank license by Boost Holdings and the Bank was submitted to BNM on 30 June 2021.

(d) Proposed disposal of PT RHB Asset Management Indonesia ('RHBAMI')

PT RHB Sekuritas Indonesia ('RHB Sekuritas'), a wholly-owned subsidiary of RHB Investment Bank Berhad ('RHB Investment Bank') which in turn is a wholly-owned subsidiary of the Bank, had on 23 July 2021, entered into a conditional share purchase agreement ('CSPA') with Allianz Global Investors Asia Pacific Limited ('AllianzGI') and PT Asuransi Allianz Life Indonesia ('Allianz Life Indonesia') to dispose its entire 99.62% equity interest in RHBAMI ('Proposed Disposal') for a consideration of approximately EUR7.47 million (or approximately RM37.25 million).

The Proposed Disposal will entail the disposal by RHB Sekuritas of its entire 98.62% equity interest and 1.00% equity interest in RHBAMI to AllianzGI and Allianz Life Indonesia respectively.

The Proposed Disposal is conditional upon inter-alia, the approval of the Financial Services Authority of Indonesia or Otoritas Jasa Keuangan ('OJK') for the fit and proper test of AllianzGI as the new controlling shareholder of RHBAMI and the candidate for new member(s) of Board of Commissioners of RHBAMI as proposed by AllianzGI. The last date to fulfil all the conditions precedent for the Proposed Disposal is 8-months from the date of the CSPA which can be mutually extended. The Proposed Disposal is not subject to the approval of the shareholders of the Bank or any relevant regulatory authority in Malaysia.

Upon completion of the Proposed Disposal, RHBAMI will cease to be a subsidiary of RHB Sekuritas.



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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 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Deposits from customers				
- One year or less	211,507,100	201,304,081	137,137,323	133,527,691
- More than one year	2,530,717	2,166,702	1,070,139	783,283
	<u>214,037,817</u>	<u>203,470,783</u>	<u>138,207,462</u>	<u>134,310,974</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	14,364,177	19,126,009	18,163,509	22,820,715
- One year to three years	1,354,407	417,425	1,316,642	381,011
- Three years to five years	361,309	270,001	281,870	207,987
- Over five years	2,070,421	1,221,751	2,058,909	1,200,898
	<u>18,150,314</u>	<u>21,035,186</u>	<u>21,820,930</u>	<u>24,610,611</u>

(b) Borrowings

	Group		Bank	
	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Secured				
Term loans:				
- Cambodian Riel	89,264	137,750	-	-
Unsecured				
Term loans:				
- United States Dollar	-	201,101	-	201,101
Promissory note:				
- Indonesia Rupiah	29,292	150,665	-	-
- Thai Baht	82,965	145,114	-	-
	<u>201,521</u>	<u>634,630</u>	<u>-</u>	<u>201,101</u>
Scheduled repayment of borrowings:				
- Within one year	<u>201,521</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	As at
	30 September	31 December
	2021	2020
	RM'000	RM'000
USD500 million 2.503% senior debt securities due in 2021 [^]	2,118,333	2,021,872
USD300 million 3.766% senior debt securities due in 2024	1,260,059	1,221,568
RM300 million 2.85% senior Sukuk Murabahah due in 2025	303,711	301,710
USD500 million 1.658% senior debt securities due in 2026	2,097,763	-
	<u>5,779,866</u>	<u>3,545,150</u>

[^] The Bank had on 6 October 2021 fully redeemed the USD500 million in nominal value senior debt securities as disclosed in Note A26(a).

(d) Subordinated obligations

	Group		Bank	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027	255,248	252,206	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027	750,134	759,029	750,134	759,029
4.90% RM200 million Tier II Subordinated Notes 2017/2027	204,591	202,148	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	507,871	502,308	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	505,624	501,280	505,624	501,280
3.13% RM500 million Tier II Subordinated Notes 2020/2030	505,480	501,758	505,480	501,758
3.65% RM500 million Tier II Subordinated Notes 2021/2031	507,556	-	507,556	-
	<u>3,236,504</u>	<u>2,718,729</u>	<u>2,268,794</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 A30) 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 30 September 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	43,823,060	227,753	203,258	55,252,294	709,273	789,622
- Options	806,815	6,170	516	635,544	5,358	2,047
- Cross-currency interest rate swaps	4,818,754	146,729	107,142	4,128,289	275,156	211,792
	49,448,629	380,652	310,916	60,016,127	989,787	1,003,461
Interest rate related contracts						
- Swaps	32,490,260	342,979	314,868	30,993,176	632,982	617,341
Commodity related contracts						
- Options	237,046	5,841	5,842	555,265	12,189	12,189
Equity related contracts						
- Options	1,245,144	1,898	1,425	451,701	17,280	17,426
Futures related contracts	77,408	550	260	200,537	895	-
Structured warrants	281,901	-	26,346	456,101	-	71,703
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,966,400	52,853	186,551	8,039,436	346	312,675
Total	92,746,788	784,773	846,208	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 30 September 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	44,592,825	240,202	210,526	57,484,810	726,266	805,366
- Options	806,815	6,170	516	635,544	5,358	2,047
- Cross-currency interest rate swaps	5,300,116	146,729	107,398	4,590,768	275,156	212,086
	50,699,756	393,101	318,440	62,711,122	1,006,780	1,019,499
Interest rate related contracts						
- Swaps	42,750,260	452,274	424,163	42,093,175	754,318	735,456
Commodity related contracts						
- Options	237,046	5,841	5,842	555,265	12,189	12,189
Equity related contracts						
- Options	1,245,144	1,898	1,425	458,784	17,280	17,426
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	5,166,400	10,557	119,552	4,239,436	-	194,572
Total	100,098,606	863,671	869,422	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 30 September 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	45,815,564	285,275	221,609	55,476,927	750,346	805,183
- One year to three years	1,494,932	41,382	43,425	2,249,295	116,978	95,624
- More than three years	2,138,133	53,995	45,882	2,289,905	122,463	102,654
	49,448,629	380,652	310,916	60,016,127	989,787	1,003,461
Interest rate related contracts						
- Less than one year	7,579,220	6,208	25,256	8,515,850	36,905	49,469
- One year to three years	10,045,165	70,875	59,335	7,793,323	51,842	62,671
- More than three years	14,865,875	265,896	230,277	14,684,003	544,235	505,201
	32,490,260	342,979	314,868	30,993,176	632,982	617,341
Commodity related contracts						
- Less than one year	76,261	596	596	374,040	12,189	12,189
- One year to three years	50,840	397	397	73,466	-	-
- More than three years	109,945	4,848	4,849	107,759	-	-
	237,046	5,841	5,842	555,265	12,189	12,189
Equity related contracts						
- Less than one year	1,222,157	1,898	1,425	451,701	17,280	17,426
- One year to three years	22,987	-	-	-	-	-
	1,245,144	1,898	1,425	451,701	17,280	17,426
Futures related contracts						
- Less than one year	77,408	550	260	200,537	895	-
	77,408	550	260	200,537	895	-
Structured warrants						
- Less than one year	281,901	-	26,346	456,101	-	71,703
	281,901	-	26,346	456,101	-	71,703
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	908,044	-	2,338	417,930	-	5,252
- One year to three years	783,092	-	25,514	606,456	-	29,337
- More than three years	7,275,264	52,853	158,699	7,015,050	346	278,086
	8,966,400	52,853	186,551	8,039,436	346	312,675
Total	92,746,788	784,773	846,208	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 30 September 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	46,962,048	297,724	228,876	58,071,384	767,339	820,928
- One year to three years	1,599,575	41,382	43,425	2,349,833	116,978	95,624
- More than three years	2,138,133	53,995	46,139	2,289,905	122,463	102,947
	50,699,756	393,101	318,440	62,711,122	1,006,780	1,019,499
Interest rate related contracts						
- Less than one year	10,239,220	6,208	25,256	12,035,957	36,903	49,473
- One year to three years	11,045,165	88,664	77,125	8,773,216	78,888	89,397
- More than three years	21,465,875	357,402	321,782	21,284,002	638,527	596,586
	42,750,260	452,274	424,163	42,093,175	754,318	735,456
Commodity related contracts						
- Less than one year	76,261	596	596	374,040	12,189	12,189
- One year to three years	50,840	397	397	73,466	-	-
- More than three years	109,945	4,848	4,849	107,759	-	-
	237,046	5,841	5,842	555,265	12,189	12,189
Equity related contracts						
- Less than one year	1,222,157	1,898	1,425	458,784	17,280	17,426
- One year to three years	22,987	-	-	-	-	-
	1,245,144	1,898	1,425	458,784	17,280	17,426
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	908,044	-	2,338	417,930	-	5,252
- One year to three years	283,091	-	7,724	106,456	-	2,611
- More than three years	3,975,265	10,557	109,490	3,715,050	-	186,709
	5,166,400	10,557	119,552	4,239,436	-	194,572
Total	100,098,606	863,671	869,422	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) 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 within 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) 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.

(iii) 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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 September 2021				
<u>Financial assets</u>				
Financial assets at FVTPL:	267,051	2,168,742	627,829	3,063,622
- Money market instruments	-	844,232	-	844,232
- Quoted securities	267,051	-	-	267,051
- Unquoted securities	-	1,324,510	627,829	1,952,339
Financial assets at FVOCI:	2,229	38,499,307	758,991	39,260,527
- Money market instruments	-	14,849,199	-	14,849,199
- Quoted securities	2,229	-	-	2,229
- Unquoted securities	-	23,650,108	758,991	24,409,099
Derivative assets	-	784,773	-	784,773
	269,280	41,452,822	1,386,820	43,108,922
<u>Financial liabilities</u>				
Derivative liabilities	26,346	819,862	-	846,208
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
	520,381	47,197,550	1,300,913	49,018,844
<u>Financial liabilities</u>				
Derivative liabilities	71,703	1,963,092	-	2,034,795



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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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
30 September 2021				
<u>Financial assets</u>				
Financial assets at FVTPL:	2,439	1,156,760	14,271	1,173,470
- Money market instruments	-	844,232	-	844,232
- Quoted securities	2,439	-	-	2,439
- Unquoted securities	-	312,528	14,271	326,799
Financial assets at FVOCI:	-	33,029,169	721,929	33,751,098
- Money market instruments	-	13,369,078	-	13,369,078
- Unquoted securities	-	19,660,091	721,929	20,382,020
Derivative assets	-	863,671	-	863,671
	<u>2,439</u>	<u>35,049,600</u>	<u>736,200</u>	<u>35,788,239</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	869,422	-	869,422
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 30 September 2021	As at 31 December 2020	As at 30 September 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	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	49,940	56,815	-	-
Purchases	31,493	7,567	614	778
Settlement/distribution	(23,012)	(12,249)	-	-
Exchange differences	22,323	(10,644)	-	-
Balance as at the end of the financial period/year	<u>627,829</u>	<u>547,085</u>	<u>14,271</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	14,024	60,340	12,308	58,169
Settlement/disposal	(8,850)	(898)	(2,981)	(898)
Exchange differences	(11)	(14)	-	-
Balance as at the end of the financial period/year	<u>758,991</u>	<u>753,828</u>	<u>721,929</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.

B11. Dividends

No dividend has been declared for the third quarter ended 30 September 2021.



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B12. Earnings per Share

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Profit attributable to equity holders of the Bank (RM'000)				
- Continuing operations	635,592	574,051	1,987,223	1,559,238
- Discontinued operation	-	48,198	-	34,661
	635,592	622,249	1,987,223	1,593,899
Weighted average number of ordinary shares in issue ('000)	4,063,923	4,010,045	4,028,202	4,010,045
Earnings per share (sen)				
- Continuing operations	15.6	14.3	49.3	38.9
- Discontinued operation	-	1.2	-	0.8
	15.6	15.5	49.3	39.7

There were no dilutive potential ordinary shares outstanding as at 30 September 2021. As a result, the diluted earnings per share equal to the basic earnings per share for the financial period ended 30 September 2021.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN

(License No. LS0006901)

Company Secretary

30 November 2021