



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

INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Note	4th Quarter Ended		Twelve Months Ended	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A8	1,603,285	1,702,074	6,328,493	6,987,381
Interest expense	A9	(572,652)	(627,752)	(2,266,464)	(3,225,973)
Net interest income		1,030,633	1,074,322	4,062,029	3,761,408
Other operating income	A10	389,040	550,965	1,876,441	2,176,656
Income from Islamic Banking business	A32(b)	535,173	468,349	2,095,091	1,665,652
Net modification loss	A11	(35,554)	(25,619)	(244,895)	(418,004)
Net income		1,919,292	2,068,017	7,788,666	7,185,712
Other operating expenses	A12	(910,439)	(889,385)	(3,522,385)	(3,386,723)
Operating profit before allowances		1,008,853	1,178,632	4,266,281	3,798,989
Allowance for credit losses on financial assets	A13	(86,296)	(604,425)	(737,214)	(1,145,086)
Impairment losses made on other non-financial assets		-	-	(314)	(9,500)
Profit before taxation and zakat		922,557	574,207	3,528,753	2,644,403
Taxation and zakat	B5	(291,296)	(134,866)	(905,621)	(639,912)
Profit from continuing operations		631,261	439,341	2,623,132	2,004,491
Profit from discontinued operation attributable to equity holders		-	-	-	34,661
Net profit for the financial period/year		631,261	439,341	2,623,132	2,039,152
Attributable to:					
- Equity holders of the Bank		631,165	438,631	2,618,388	2,032,530
- Non-controlling interests		96	710	4,744	6,622
		631,261	439,341	2,623,132	2,039,152
Earnings per share (sen):					
- Profit from continuing operations attributable to equity holders of the Bank					
- Basic	B12	15.3	10.9	64.7	49.8
- Diluted	B12	15.3	10.9	64.7	49.8
- Profit attributable to equity holders of the Bank					
- Basic	B12	15.3	10.9	64.7	50.7
- Diluted	B12	15.3	10.9	64.7	50.7

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
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Note	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period/year	631,261	439,341	2,623,132	2,039,152
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	(1,125)	1,651	751	3,274
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Unrealised net gain/(loss) on revaluation	(169)	(1,077)	31,074	59,314
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	(15,834)	(82,539)	47,675	(95,268)
(b) Realisation of foreign exchange reserve and net investment hedge from discontinued operation	-	-	-	(75,603)
(c) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	(258,008)	(238,117)	(1,452,925)	1,025,119
- Net transfer to income statements on disposal	(10,825)	(55,537)	(419,799)	(401,665)
- Changes in expected credit losses and exchange differences	(8,468)	(3,529)	(890)	(6,401)
Income tax relating to components of other comprehensive loss/(income)	64,512	70,484	448,743	(150,029)
Other comprehensive (loss)/income, net of tax, for the financial period/year	(229,917)	(308,664)	(1,345,371)	358,741
Total comprehensive income for the financial period/year	401,344	130,677	1,277,761	2,397,893
Total comprehensive income attributable to:				
- Equity holders of the Bank	401,265	129,904	1,273,007	2,391,304
- Non-controlling interests	79	773	4,754	6,589
	401,344	130,677	1,277,761	2,397,893
Total comprehensive income/(loss) attributable to equity holders of the Bank from:				
- Continuing operations	401,265	129,904	1,273,007	2,432,246
- Discontinued operation	-	-	-	(40,942)
	401,265	129,904	1,273,007	2,391,304

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

INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	4th Quarter Ended		Twelve Months Ended	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	1,584,635	1,689,973	6,242,587	6,930,514
Interest expense	A9	(552,789)	(612,464)	(2,193,936)	(3,143,823)
Net interest income		1,031,846	1,077,509	4,048,651	3,786,691
Other operating income	A10	209,646	450,056	1,179,730	1,750,090
Income from Islamic Banking business	A32(b)	1,367	1,803	5,450	4,272
Net modification loss	A11	(11,122)	826	(126,374)	(158,771)
Net income		1,231,737	1,530,194	5,107,457	5,382,282
Other operating expenses	A12	(676,736)	(630,011)	(2,451,164)	(2,290,393)
Operating profit before allowances		555,001	900,183	2,656,293	3,091,889
Allowance for credit losses on financial assets	A13	(58,048)	(513,809)	(110,125)	(806,291)
Impairment losses made on other non-financial assets		-	-	-	(52,500)
Profit before taxation		496,953	386,374	2,546,168	2,233,098
Taxation	B5	(107,598)	(53,503)	(563,780)	(433,493)
Net profit for the financial period/year		389,355	332,871	1,982,388	1,799,605

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
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period/year	389,355	332,871	1,982,388	1,799,605
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/(loss) on revaluation	(160)	(1,324)	29,642	57,269
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	4,989	(12,805)	3,396	(25,082)
(b) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	(213,419)	(185,588)	(1,197,601)	835,906
- Net transfer to income statements on disposal	(10,695)	(50,762)	(327,955)	(361,720)
- Changes in expected credit losses and exchange differences	(8,730)	(3,359)	(1,226)	(6,008)
Income tax relating to components of other comprehensive (loss)/income	53,787	56,724	366,133	(113,805)
Other comprehensive (loss)/income, net of tax, for the financial period/year	(174,228)	(197,114)	(1,127,611)	386,560
Total comprehensive income for the financial period/year	215,127	135,757	854,777	2,186,165

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

INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group		Bank	
		As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
ASSETS					
Cash and short-term funds		19,831,323	8,904,285	10,409,623	7,905,636
Deposits and placements with banks and other financial institutions		3,486,773	6,069,443	7,886,688	9,447,903
Investment account due from designated financial institutions	A14	-	-	10,213,639	8,840,858
Financial assets at fair value through profit or loss ('FVTPL')	A15	2,778,239	4,462,106	840,410	2,285,301
Financial assets at fair value through other comprehensive income ('FVOCI')	A16	41,140,873	42,903,259	34,955,501	35,869,640
Financial investments at amortised cost	A17	17,961,511	16,005,267	11,009,290	10,195,993
Loans, advances and financing	A18	194,896,614	182,424,879	115,045,103	109,515,184
Clients' and brokers' balances		879,595	1,339,568	-	-
Reinsurance assets		435,342	467,504	-	-
Other assets	A19	1,728,260	1,528,592	1,842,709	1,278,048
Derivative assets	B8	718,615	1,653,479	798,836	1,790,567
Statutory deposits		635,012	612,671	356,687	228,107
Tax recoverable		131,283	289,969	61,942	251,917
Deferred tax assets		377,825	35,338	234,795	-
Investments in subsidiaries		-	-	4,648,681	4,901,397
Investments in associates and joint venture		12	12	-	-
Right of use assets		174,482	149,898	91,368	76,166
Property, plant and equipment		1,016,824	1,013,255	762,684	766,626
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		694,753	636,311	603,134	565,485
TOTAL ASSETS		289,541,458	271,149,958	201,476,003	195,633,741
LIABILITIES					
Deposits from customers	A20/B7(a)	218,732,585	203,470,783	137,552,576	134,310,974
Deposits and placements of banks and other financial institutions	A21/B7(a)	23,406,827	21,035,186	25,669,599	24,610,611
Obligations on securities sold under repurchase agreements		2,066,068	972,963	4,867,026	4,740,494
Investment accounts	A22	581,291	-	-	-
Bills and acceptances payable		210,119	187,020	201,832	174,838
Clients' and brokers' balances		948,511	1,171,930	-	-
General insurance contract liabilities		1,068,687	1,086,385	-	-
Other liabilities	A23	4,046,582	3,822,314	2,387,373	2,287,372
Derivative liabilities	B8	887,926	2,034,795	938,061	1,979,142
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,259,895	3,023,760	1,506,310	-
Provision for taxation and zakat		124,163	69,623	-	-
Deferred tax liabilities		55	165,938	-	152,111
Lease liabilities		182,607	154,188	92,935	77,356
Borrowings	B7(b)	127,380	634,630	-	201,101
Senior debt securities	B7(c)	3,646,369	3,545,150	3,646,369	3,545,150
Subordinated obligations	B7(d)	3,221,882	2,718,729	2,265,134	1,762,067
TOTAL LIABILITIES		261,510,947	244,093,394	179,127,215	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

AUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

	Note	Group		Bank	
		As at	As at	As at	As at
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		7,612,612	6,994,103	7,612,612	6,994,103
Reserves		20,385,716	20,029,732	14,736,176	14,798,422
Equity attributable to holders of the Bank		27,998,328	27,023,835	22,348,788	21,792,525
Non-controlling interests ('NCI')		32,183	32,729	-	-
TOTAL EQUITY		28,030,511	27,056,564	22,348,788	21,792,525
TOTAL LIABILITIES AND EQUITY		289,541,458	271,149,958	201,476,003	195,633,741
COMMITMENTS AND CONTINGENCIES	A28(a)	157,777,145	157,480,418	154,105,883	154,247,517
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		6.76	6.74		

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year	-	-	-	-	-	-	2,618,388	2,618,388	4,744	2,623,132
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	23	44,034	-	3,590	47,647	28	47,675
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain on disposal	-	-	-	(19,444)	-	-	19,444	-	-	-
- Unrealised net gain on revaluation	-	-	-	31,074	-	-	-	31,074	-	31,074
- Debt instruments										
- Unrealised net loss on revaluation	-	-	-	(1,452,925)	-	-	-	(1,452,925)	-	(1,452,925)
- Net transfer to income statements on disposal	-	-	-	(419,799)	-	-	-	(419,799)	-	(419,799)
- Changes in expected credit losses and exchange differences	-	-	-	(890)	-	-	-	(890)	-	(890)
Actuarial gain/(loss) on defined benefit plan of subsidiaries	-	-	-	-	-	-	767	767	(16)	751
Income tax relating to components of other comprehensive loss/(income)	-	-	-	449,433	-	-	(688)	448,745	(2)	448,743
Other comprehensive (loss)/income, net of tax, for the financial year	-	-	-	(1,412,528)	44,034	-	23,113	(1,345,381)	10	(1,345,371)
Total comprehensive income/(loss) for the financial year	-	-	-	(1,412,528)	44,034	-	2,641,501	1,273,007	4,754	1,277,761
Dividends paid	-	-	-	-	-	-	(917,023)	(917,023)	(5,300)	(922,323)
Shares issued pursuant to Dividend Reinvestment Plan ('DRP')	618,509	-	-	-	-	-	-	618,509	-	618,509
Transfer to statutory reserves	-	104,130	-	-	-	-	(104,130)	-	-	-
Transfer to regulatory reserves	-	-	276,457	-	-	-	(276,457)	-	-	-
Balance as at 31 December 2021	7,612,612	104,645	328,129	443,003	562,410	23,331	18,924,198	27,998,328	32,183	28,030,511

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year	-	-	-	-	-	-	2,032,530	2,032,530	6,622	2,039,152
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	(319)	(94,887)	-	-	(95,206)	(62)	(95,268)
- 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	-	-	-	1,060	-	-	(1,060)	-	-	-
- Unrealised net gain on revaluation	-	-	-	59,314	-	-	-	59,314	-	59,314
- Debt instruments										
- Unrealised net gain on revaluation	-	-	-	1,025,119	-	-	-	1,025,119	-	1,025,119
- Net transfer to income statements on disposal	-	-	-	(401,665)	-	-	-	(401,665)	-	(401,665)
- Changes in expected credit losses and exchange differences	-	-	-	(6,401)	-	-	-	(6,401)	-	(6,401)
Actuarial gain on defined benefit plan of subsidiaries	-	-	-	-	-	-	3,241	3,241	33	3,274
Income tax relating to components of other comprehensive income	-	-	-	(149,637)	-	-	(388)	(150,025)	(4)	(150,029)
Other comprehensive income/(loss), net of tax, for the financial year	-	-	-	527,471	(170,490)	-	1,793	358,774	(33)	358,741
Total comprehensive income/(loss) for the financial year	-	-	-	527,471	(170,490)	-	2,034,323	2,391,304	6,589	2,397,893
Dividends paid/payable	-	-	-	-	-	-	(1,142,863)	(1,142,863)	(9,275)	(1,152,138)
Transfer to statutory reserves	-	2	-	-	-	-	(2)	-	-	-
Transfer from regulatory reserves	-	-	(787,320)	-	-	-	787,320	-	-	-
Balance as at 31 December 2020	6,994,103	515	51,672	1,855,531	518,376	23,331	17,580,307	27,023,835	32,729	27,056,564

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year	-	-	-	-	1,982,388	1,982,388
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	3,396	-	3,396
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain on disposal	-	-	(17,494)	-	17,494	-
- Unrealised net gain on revaluation	-	-	29,642	-	-	29,642
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(1,197,601)	-	-	(1,197,601)
- Net transfer to income statements on disposal	-	-	(327,955)	-	-	(327,955)
- Changes in expected credit losses and exchange differences	-	-	(1,226)	-	-	(1,226)
Income tax relating to components of other comprehensive loss	-	-	366,133	-	-	366,133
Other comprehensive (loss)/income, net of tax, for the financial year	-	-	(1,148,501)	3,396	17,494	(1,127,611)
Total comprehensive income/(loss) for the financial year	-	-	(1,148,501)	3,396	1,999,882	854,777
Dividends paid	-	-	-	-	(917,023)	(917,023)
Shares issued pursuant to DRP	618,509	-	-	-	-	618,509
Transfer to regulatory reserves	-	227,289	-	-	(227,289)	-
Balance as at 31 December 2021	7,612,612	227,289	429,544	353,068	13,726,275	22,348,788

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Bank	← Non-Distributable →			Distributable	Total Equity	
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves		Retained Profits
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2020	6,994,103	352,506	1,165,505	374,754	11,862,355	20,749,223
Net profit for the financial year	-	-	-	-	1,799,605	1,799,605
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	(25,082)	-	(25,082)
Financial assets measured at FVOCI:						
- Equity instruments						
- Net loss on disposal	-	-	898	-	(898)	-
- Unrealised net gain on revaluation	-	-	57,269	-	-	57,269
- Debt instruments						
- Unrealised net gain on revaluation	-	-	835,906	-	-	835,906
- Net transfer to income statements on disposal	-	-	(361,720)	-	-	(361,720)
- Changes in expected credit losses and exchange differences	-	-	(6,008)	-	-	(6,008)
Income tax relating to components of other comprehensive income	-	-	(113,805)	-	-	(113,805)
Other comprehensive income/(loss), net of tax, for the financial year	-	-	412,540	(25,082)	(898)	386,560
Total comprehensive income/(loss) for the financial year	-	-	412,540	(25,082)	1,798,707	2,186,165
Dividends paid/payable	-	-	-	-	(1,142,863)	(1,142,863)
Transfer from regulatory reserves	-	(352,506)	-	-	352,506	-
Balance as at 31 December 2020	6,994,103	-	1,578,045	349,672	12,870,705	21,792,525

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Twelve Months Ended	
	31 December 2021	31 December 2020
	<u>RM'000</u>	<u>RM'000</u>
Group		
Cash flows from operating activities		
Profit before taxation and zakat:		
- Continuing operations	3,528,753	2,644,403
- Discontinued operation	-	33,130
Profit before taxation and zakat, including discontinued operation	<u>3,528,753</u>	<u>2,677,533</u>
Adjustments for:		
Allowance for credit losses on loans, advances and financing	926,211	1,372,465
Allowance for credit losses on other financial assets	(12,160)	17,550
Property, plant and equipment:		
- Depreciation	122,342	112,564
- Gain on disposal	(16,722)	(2,319)
- Written off	443	25
- Impairment losses	193	-
Intangible assets:		
- Amortisation	128,511	117,646
- Written off	1,209	4,766
Right of use assets:		
- Depreciation	72,104	74,137
- Gain on modification	(38)	(17)
- Impairment losses	121	-
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	174,486	53,260
Gain on disposal of a subsidiary	(752)	(55,017)
Net gain on financial instruments	(289,599)	(537,849)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(54,876)	(59,877)
Net modification loss	244,895	418,004
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	253,946	244,336
Other non-cash items	(2,009,515)	(2,114,897)
Operating profit before working capital changes	<u>3,069,552</u>	<u>2,322,310</u>
Decrease/(Increase) in operating assets:		
Deposits and placements with banks and other financial institutions	2,741,780	(4,963,537)
Financial assets at FVTPL	1,679,479	556,075
Loans, advances and financing	(13,369,630)	(11,297,877)
Clients' and brokers' balances	464,368	(528,464)
Other assets	597,010	(496,144)
Statutory deposits	(9,312)	3,942,044
	<u>(7,896,305)</u>	<u>(12,787,903)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	14,896,587	13,070,755
Deposits and placements of banks and other financial institutions	2,325,201	(310,598)
Obligations on securities sold under repurchase agreements	1,090,031	(1,075,043)
Investment accounts	581,291	-
Bills and acceptances payable	22,623	(67,861)
Clients' and brokers' balances	(223,419)	347,764
Other liabilities	(494,768)	380,045
Recourse obligation on loans sold to Cagamas	(763,865)	(512,236)
	<u>17,433,681</u>	<u>11,832,826</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Twelve Months Ended	
	31 December 2021	31 December 2020
Group	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash generated from operations	12,606,928	1,367,233
Interest paid	(254,927)	(245,855)
Net tax and zakat paid	(749,187)	(615,478)
Net cash generated from operating activities	<u>11,602,814</u>	<u>505,900</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(1,723,260)	(3,942,087)
Property, plant and equipment:		
- Purchase	(127,619)	(138,266)
- Proceeds from disposal	23,977	3,110
Intangible assets:		
- Purchase	(191,640)	(131,815)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest received	1,552,428	1,677,747
- Investment income received	415,516	357,963
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	54,876	59,877
Net cash inflow from disposal of subsidiaries	494	136,201
Contingent consideration received arising from disposal of subsidiaries	219	15,961
Net cash generated from/(used in) investing activities	<u>4,991</u>	<u>(1,961,309)</u>
Cash flows from financing activities		
Net repayment of borrowings	(522,955)	(529,049)
Proceeds from issuance of senior debt securities	2,075,557	300,000
Redemption of senior debt securities	(2,092,558)	-
Proceeds from issuance of subordinated notes	500,000	1,000,000
Redemption of subordinated notes	-	(1,000,000)
Dividends paid to equity holders of the Bank	(699,519)	(741,858)
Dividends paid to NCI	(5,300)	(9,275)
Principal lease payments	(71,990)	(66,531)
Net cash used in financing activities	<u>(816,765)</u>	<u>(1,046,713)</u>
Net increase/(decrease) in cash and cash equivalents	10,791,040	(2,502,122)
Effects of exchange rate differences	135,998	(221,585)
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>19,831,323</u>	<u>8,904,285</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>19,831,323</u>	<u>8,904,285</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
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Twelve Months Ended	
	31 December 2021	31 December 2020
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	2,546,168	2,233,098
Adjustments for:		
Allowance for credit losses on loans, advances and financing	259,344	1,019,203
Allowance for credit losses on other financial assets	(1,398)	4,042
Property, plant and equipment:		
- Depreciation	100,459	92,591
- Gain on disposal	(214)	(2,209)
- Written off	29	1
Intangible assets:		
- Amortisation	110,350	100,434
- Written off	1,209	-
Right of use assets:		
- Depreciation	55,299	52,083
- Gain on modification	-	(4)
Impairment loss on investment in a subsidiary	-	52,500
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	178,352	54,612
Net gain on financial instruments	(221,920)	(462,751)
Loss on liquidation of a subsidiary	52	-
Dividend income from financial assets at FVOCI	(4,099)	(4,404)
Dividend income from subsidiaries	(247,903)	(580,585)
Net modification loss	126,374	158,771
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	198,699	182,023
Other non-cash items	(1,528,563)	(1,683,948)
Operating profit before working capital changes	<u>1,572,238</u>	<u>1,215,457</u>
Decrease/(Increase) in operating assets:		
Deposits and placements with banks and other financial institutions	1,702,129	(4,098,229)
Investment account due from designated financial institutions	(1,372,781)	(611,524)
Financial assets at FVTPL	1,392,285	432,624
Loans, advances and financing	(5,759,756)	(3,653,911)
Other assets	342,140	(1,100,007)
Statutory deposits	(126,816)	2,380,258
	<u>(3,822,799)</u>	<u>(6,650,789)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	2,984,024	2,822,311
Deposits and placements of banks and other financial institutions	1,052,455	5,635,585
Obligations on securities sold under repurchase agreements	123,471	995,764
Bills and acceptances payable	26,528	(30,784)
Other liabilities	(502,999)	1,031,246
Recourse obligation on loans sold to Cagamas	1,506,310	(1,265,757)
	<u>5,189,789</u>	<u>9,188,365</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
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Twelve Months Ended	
	31 December 2021	31 December 2020
Bank	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash generated from operations	2,939,228	3,753,033
Interest paid	(204,988)	(183,821)
Net tax paid	(393,722)	(350,750)
Net cash generated from operating activities	<u>2,340,518</u>	<u>3,218,462</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(1,255,791)	(1,689,715)
Property, plant and equipment:		
- Purchase	(93,098)	(106,198)
- Proceeds from disposal	215	2,765
Intangible assets:		
- Purchase	(152,893)	(117,565)
Interest received from financial assets at FVOCI and financial investments at amortised cost	1,539,464	1,607,002
Dividend income received from subsidiaries	246,703	580,585
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	(15,645)	(39,418)
Net cash generated from investing activities	<u>541,354</u>	<u>241,860</u>
Cash flows from financing activities		
Net repayment of borrowings	(201,079)	(644,344)
Proceeds from issuance of senior debt securities	2,075,557	300,000
Redemption of senior debt securities	(2,092,558)	-
Proceeds from issuance of subordinated notes	500,000	1,000,000
Redemption of subordinated notes	-	(800,000)
Dividends paid to equity holders of the Bank	(699,519)	(741,858)
Principal lease payments	(55,310)	(50,348)
Net cash used in financing activities	<u>(472,909)</u>	<u>(936,550)</u>
Net increase in cash and cash equivalents	2,408,963	2,523,772
Effects of exchange rate differences	95,024	(121,029)
Cash and cash equivalents:		
- at the beginning of the financial year	7,905,636	5,502,893
- at the end of the financial year	<u>10,409,623</u>	<u>7,905,636</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>10,409,623</u>	<u>7,905,636</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 AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

A1. Basis Of Preparation

The interim financial statements are audited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following during the current financial year:

(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:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – 'Interest Rate Benchmark Reform - Phase 2'
- 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')

(i) Targeted repayment assistance ('TRA')

I Targeted repayment assistance under Program Strategik Memperkasa Rakyat dan Ekonomi Tambahan ('PEMERKASA+')

TRA under PEMERKASA+ was announced on 31 May 2021. The TRA was applicable to all borrowers/customers who have lost their employment, B40 borrowers/customers registered under Bantuan Sara Hidup ('BSH') or Bantuan Prihatin Rakyat ('BPR'), SMEs and microenterprises with loans/financing facilities not more than RM150,000 whose loans/financing were approved on or before 30 June 2021 and not in arrears for more than 90 days. All these affected borrowers/customers may opt for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months.

II 6-month moratorium under Perlindungan Rakyat dan Pemulihan Ekonomi ('PEMULIH')

On 6 July 2021, BNM announced that individuals, microenterprise borrowers and SMEs affected by the COVID-19 pandemic may start applying for the 6-month moratorium from 7 July 2021 onwards, in line with Government's 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.

(ii) Waiver of interest

On 14 October 2021, BNM 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 AKPK from 15 November 2021 until 31 March 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/profit waiver of three months or an interest/profit waiver of three months together with reduced instalments of up to 24 months. Customers who are not eligible for URUS may apply for assistance under AKPK's Financial Resilience Support Scheme ('FIRST'), which includes features such as reduced instalments, extended financing tenures and financial resilience support programmes. In addition, for eligible B50 customers who have signed up for the Group and the Bank's flood relief assistance programmes, the URUS application closing date has been extended to 31 July 2022, or upon the expiry of the flood relief assistance programme, whichever is earlier.

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



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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 financial year ended 31 December 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 financial year ended 31 December 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 financial year ended 31 December 2021, other than as disclosed below:

(a) Issuance of new shares

- (i) 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; and
- (ii) The Bank has on 3 November 2021 increased its issued and paid up share capital from RM7,262,932,796 to RM7,612,611,635 via the issuance of 74,558,388 new ordinary shares at RM4.69 per share arising from the DRP relating to the single-tier interim dividend of 15.00 sen per share in respect of the financial year ended 31 December 2021, of which the shareholders may elect to reinvest up to 10.00 sen per RHB Bank Share.

The new ordinary shares issued during the financial year 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;
- (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; and
- (iii) The Bank had on 6 October 2021 fully redeemed its existing USD500 million Senior Notes in nominal value issued under its USD5 billion euro medium term note programme in October 2016.



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

A7. Dividends Paid

During the financial year ended 31 December 2021:

- (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 RM37,938,659 was paid on 8 July 2021;
- (c) An interim single-tier dividend of 15.00 sen per share in respect of the financial year ended 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 reinvestment rate subsequent to the completion of the DRP was 85.96% and total cash dividend of RM260,575,178 was paid on 3 November 2021; and
- (d) At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the current financial year of 25.00 sen per share amounting to RM1,035,730,000, consisting of cash portion of 15.00 sen per share and an electable portion of 10.00 sen per share will be proposed for shareholders' approval. The single-tier final dividend was approved by the Board of Directors on 26 January 2022.

Subject to the relevant regulatory approvals being obtained, 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 proposed single-tier final dividend into new ordinary shares in the Bank in accordance with the approved DRP as disclosed in Note B6(b).



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

A8. Interest Income

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,191,551	1,273,946	4,676,580	5,192,892
Money at call and deposits and placements with banks and other financial institutions	29,828	20,544	99,109	84,895
Financial assets at FVTPL	9,285	15,717	46,427	63,731
Financial assets at FVOCI - debt instruments	263,028	286,577	1,099,120	1,199,568
Financial investments at amortised cost	106,612	100,315	391,936	426,602
Others	2,981	4,975	15,321	19,693
	1,603,285	1,702,074	6,328,493	6,987,381
Of which:				
Interest income accrued on impaired financial assets	12,626	31,141	76,520	71,504
Bank				
Loans and advances	1,096,027	1,190,757	4,317,429	4,848,253
Money at call and deposits and placements with banks and other financial institutions	58,983	42,412	187,138	173,792
Investment account due from designated financial institutions	69,742	70,949	268,299	288,753
Securities purchased under resale agreements	-	10	-	70
Financial assets at FVTPL	9,243	15,703	46,290	63,431
Financial assets at FVOCI - debt instruments	257,962	281,136	1,078,290	1,175,362
Financial investments at amortised cost	92,068	88,250	342,988	376,381
Others	610	756	2,153	4,472
	1,584,635	1,689,973	6,242,587	6,930,514
Of which:				
Interest income accrued on impaired financial assets	11,795	30,952	72,934	70,795



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

A9. Interest Expense

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	47,647	49,498	172,519	314,995
Deposits from customers	454,627	520,777	1,821,787	2,657,885
Obligations on securities sold under repurchase agreements	4,858	2,636	15,972	18,619
Recourse obligation on loans sold to Cagamas	6,309	-	6,309	11,045
Subordinated obligations	24,425	17,584	91,038	74,735
Senior debt securities	23,749	26,437	114,487	103,853
Borrowings	930	4,084	7,861	23,801
Others	10,107	6,736	36,491	21,040
	572,652	627,752	2,266,464	3,225,973
Bank				
Deposits and placements of banks and other financial institutions	50,648	57,231	199,528	350,945
Deposits from customers	424,612	491,059	1,699,206	2,527,099
Obligations on securities sold under repurchase agreements	16,612	16,133	61,293	60,309
Recourse obligation on loans sold to Cagamas	6,309	-	6,309	11,045
Subordinated obligations	21,955	15,141	81,238	62,033
Senior debt securities	23,749	26,437	114,487	103,853
Borrowings	-	979	485	13,087
Others	8,904	5,484	31,390	15,452
	552,789	612,464	2,193,936	3,143,823



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A10. Other Operating Income

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	38,251	44,700	143,306	143,014
- Commission	45,472	42,940	200,159	156,698
- Guarantee fees	6,856	6,248	31,229	30,374
- Commitment fees	10,770	11,187	42,711	42,495
- Brokerage income	65,090	134,645	382,072	450,885
- Fund management fees	73,153	65,809	293,167	256,118
- Unit trust fee income	29,627	49,352	182,471	127,694
- Corporate advisory fees	4,714	5,416	34,625	19,926
- Underwriting and arrangement fees	4,608	6,434	12,706	16,086
- Other fee income	34,592	19,293	99,881	63,185
	313,133	386,024	1,422,327	1,306,475
- Fee and commission expenses	(64,167)	(92,234)	(328,010)	(278,737)
	248,966	293,790	1,094,317	1,027,738
Net gain/(loss) arising from financial assets at FVTPL				
- Net (loss)/gain on disposal	(11,654)	2,969	(64,655)	260,573
- Unrealised net gain/(loss) on revaluation	10,204	(2,995)	14,691	62,743
- Dividend income	9,770	10,340	50,080	54,640
	8,320	10,314	116	377,956
Net (loss)/gain on revaluation of derivatives	3,715	35,413	(50,434)	(162,985)
Net gain/(loss) on fair value hedges	(396)	108	11	4,256
Net gain/(loss) arising from derecognition of financial investments at amortised cost	-	-	14,924	(9)
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	10,860	50,822	328,104	362,166
- Dividend income	5	124	4,796	5,237
	10,865	50,946	332,900	367,403
Other income				
Net foreign exchange gain	64,740	98,570	189,711	269,003
Insurance underwriting surplus before management expenses	40,184	38,818	235,022	216,464
Gain on disposal of property, plant and equipment	17	2,147	16,752	2,319
Gain on disposal of a subsidiary	-	-	752	-
Gain on modification of right of use assets	-	4	-	17
Rental income	430	560	1,973	2,007
Other operating income	7,817	7,746	23,958	23,273
Other non-operating income	4,382	12,549	16,439	49,214
	117,570	160,394	484,607	562,297
	389,040	550,965	1,876,441	2,176,656



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

A10. Other Operating Income (continued)

	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Bank	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	37,388	37,604	131,001	122,542
- Commission	53,286	53,623	246,337	183,123
- Guarantee fees	6,802	6,168	31,066	29,615
- Commitment fees	10,368	10,840	41,170	41,126
- Corporate advisory fees	163	-	5,082	243
- Underwriting and arrangement fees	-	-	465	-
- Other fee income	4,708	5,807	19,019	22,486
	112,715	114,042	474,140	399,135
Net (loss)/gain arising from financial assets at FVTPL				
- Net (loss)/gain on disposal	(7,645)	(1,238)	(97,834)	129,365
- Unrealised net (loss)/gain on revaluation	973	6,144	(4,052)	(4,455)
	(6,672)	4,906	(101,886)	124,910
Net (loss)/gain on revaluation of derivatives	4,458	4,946	(18,849)	(28,131)
Net gain/(loss) on fair values hedges	(396)	108	11	4,256
Net gain/(loss) arising from derecognition of financial investments at amortised cost	-	-	14,924	(9)
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	10,696	50,762	327,720	361,725
- Dividend income	-	-	4,099	4,404
	10,696	50,762	331,819	366,129
Dividend income from subsidiaries	26,675	201,675	247,903	580,585
Other income				
Net foreign exchange gain	50,565	48,521	187,459	219,752
Gain on disposal of property, plant and equipment	70	2,195	214	2,209
Loss on liquidation of a subsidiary	-	-	(52)	-
Gain on modification of right of use assets	-	4	-	4
Rental income	601	2,895	9,175	11,324
Other operating income	6,644	5,825	21,254	20,729
Other non-operating income	4,290	14,177	13,618	49,197
	62,170	73,617	231,668	303,215
	209,646	450,056	1,179,730	1,750,090

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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A12. Other Operating Expenses

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	423,283	393,843	1,721,315	1,654,640
- Defined contribution plan	67,771	61,751	249,149	236,076
- Other staff related costs	34,570	44,234	167,205	150,860
	<u>525,624</u>	<u>499,828</u>	<u>2,137,669</u>	<u>2,041,576</u>
Establishment costs				
- Property, plant and equipment:				
- Depreciation	33,199	29,053	122,342	111,586
- Written off	2	1	443	25
- Intangible assets:				
- Amortisation	35,886	28,664	128,511	115,397
- Written off	1,209	5	1,209	5
- Right of use assets:				
- Depreciation	18,986	17,029	72,104	70,336
- Rental of premises	5,124	5,532	23,727	26,188
- Rental of equipment	2,418	3,010	9,992	10,163
- Insurance	6,448	4,556	21,299	20,475
- Water and electricity	6,019	6,672	23,172	27,228
- Repair and maintenance	10,493	9,475	32,438	31,945
- Security and escorting expenses	11,025	11,985	43,909	45,596
- Information technology expenses	72,041	74,928	280,196	271,937
- Others	2,160	5,199	13,501	16,578
	<u>205,010</u>	<u>196,109</u>	<u>772,843</u>	<u>747,459</u>
Marketing expenses				
- Sales commission	26,740	34,649	117,299	106,396
- Advertisement and publicity	24,136	27,065	59,590	55,760
- Others	17,470	23,221	64,413	78,063
	<u>68,346</u>	<u>84,935</u>	<u>241,302</u>	<u>240,219</u>
Administration and general expenses				
- Communication expenses	35,201	51,557	141,773	165,723
- Legal and professional fees	42,230	13,417	74,855	38,487
- Others	34,028	43,539	153,943	153,259
	<u>111,459</u>	<u>108,513</u>	<u>370,571</u>	<u>357,469</u>
	<u>910,439</u>	<u>889,385</u>	<u>3,522,385</u>	<u>3,386,723</u>



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A12. Other Operating Expenses (continued)

	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Bank	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	364,779	334,238	1,342,763	1,251,049
- Defined contribution plan	54,676	50,931	204,879	192,754
- Other staff related costs	38,874	35,842	123,855	114,117
	<u>458,329</u>	<u>421,011</u>	<u>1,671,497</u>	<u>1,557,920</u>
Establishment costs				
- Property, plant and equipment:				
- Depreciation	27,590	23,767	100,459	92,591
- Written off	1	-	29	1
- Intangible assets:				
- Amortisation	30,829	25,122	110,350	100,434
- Written off	1,209	-	1,209	-
- Right of use assets:				
- Depreciation	14,729	12,777	55,299	52,083
- Rental of premises	4,703	4,280	19,395	17,295
- Rental of equipment	2,403	2,988	9,936	10,131
- Insurance	7,905	6,706	26,755	24,353
- Water and electricity	4,125	4,497	16,140	18,065
- Repair and maintenance	8,292	6,654	25,534	24,233
- Security and escorting expenses	11,942	12,299	46,987	47,731
- Information technology expenses	58,966	54,281	214,474	197,407
	<u>172,694</u>	<u>153,371</u>	<u>626,567</u>	<u>584,324</u>
Marketing expenses				
- Sales commission	32,696	31,600	111,562	93,647
- Advertisement and publicity	21,058	27,590	49,681	50,088
- Others	10,718	9,850	37,822	36,272
	<u>64,472</u>	<u>69,040</u>	<u>199,065</u>	<u>180,007</u>
Administration and general expenses				
- Communication expenses	23,245	33,909	101,747	115,912
- Legal and professional fees	44,083	21,439	103,816	85,713
- Others	24,955	27,699	98,660	88,311
	<u>92,283</u>	<u>83,047</u>	<u>304,223</u>	<u>289,936</u>
Operating expenses allocated to subsidiaries	(111,042)	(96,458)	(350,188)	(321,794)
	<u>676,736</u>	<u>630,011</u>	<u>2,451,164</u>	<u>2,290,393</u>



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A13. Allowance for Credit Losses on Financial Assets

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge/(writeback)	(16,742)	581,250	760,182	1,207,891
- Bad debts recovered	(105,597)	(87,759)	(351,323)	(297,242)
- Bad debts written off	46,574	55,957	166,029	164,730
	(75,765)	549,448	574,888	1,075,379
Financial assets at FVOCI	(8,578)	(3,597)	(1,117)	(6,364)
Financial investments at amortised cost	176,191	56,721	175,603	59,624
Other financial assets	(5,552)	1,853	(12,160)	16,447
	86,296	604,425	737,214	1,145,086
Bank				
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge/(writeback)	(39,319)	495,320	138,470	884,209
- Bad debts recovered	(98,021)	(81,084)	(326,173)	(271,566)
- Bad debts written off	24,514	40,089	120,874	134,994
	(112,826)	454,325	(66,829)	747,637
Financial assets at FVOCI	(8,840)	(3,427)	(1,453)	(5,971)
Financial investments at amortised cost	180,832	60,515	179,805	60,583
Other financial assets	(1,118)	2,396	(1,398)	4,042
	58,048	513,809	110,125	806,291

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 31 December 2021	As at 31 December 2020
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,500,000	1,000,000
Other term financing	7,064,457	6,917,534
Short-term funds	490,000	-
Unquoted securities	1,009,105	811,775
	10,063,562	8,729,309



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

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	204,324	656,342	204,324	656,342
Malaysian Government Investment Issues	426,309	1,582,566	374,216	1,474,888
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	74,375	209,443	-	-
Unit trusts	37,850	69,450	-	-
Corporate bond/sukuk	2,351	3,482	2,351	3,482
Outside Malaysia				
Shares, exchange traded funds and warrants	94,946	210,408	-	3,400
Unit trusts	24,386	25,676	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	83,095	52,781	79,677	51,370
Unit trusts	1,024,098	1,022,686	-	-
Commercial paper	64,766	36	64,766	36
Outside Malaysia				
Corporate bond/sukuk	115,076	95,783	115,076	95,783
Private equity funds	626,663	533,453	-	-
	2,778,239	4,462,106	840,410	2,285,301



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

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
At fair value				
(a) Debt instruments	40,380,841	42,148,529	34,234,752	35,158,058
(b) Equity instruments	760,032	754,730	720,749	711,582
	41,140,873	42,903,259	34,955,501	35,869,640
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,764,067	1,906,961	2,631,159	1,768,796
Malaysian Government Investment Issues	7,813,683	8,126,745	6,212,432	6,391,365
Cagamas bonds	-	102,082	-	91,926
Khazanah bonds	119,450	48,408	70,082	-
Negotiable instruments of deposits	1,699,602	397,744	1,401,075	-
Other foreign government investment issues	97,221	54,580	97,221	54,580
Sukuk Perumahan Kerajaan	71,888	73,100	-	-
Singapore Government Securities	985,101	866,267	985,101	866,267
Thailand Government Securities	629,542	654,851	629,542	654,851
Singapore Government Treasury Bills	2,126,537	2,247,864	2,126,537	2,247,864
Thailand Central Bank Bonds	25,151	86,290	25,151	86,290
Singapore Housing Development Board	689,032	723,066	689,032	723,066
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	18,265,619	23,300,160	14,273,472	18,712,642
Perpetual notes/sukuk	51,111	51,155	51,111	51,155
<u>Outside Malaysia</u>				
Corporate bond/sukuk	5,042,837	3,509,256	5,042,837	3,509,256
	40,380,841	42,148,529	34,234,752	35,158,058
(b) Equity instruments				
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Shares	2,218	1,922	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	757,418	752,403	720,748	711,580
<u>Outside Malaysia</u>				
Shares	396	405	1	2
	760,032	754,730	720,749	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 RM1,552,000,000 (2020: RM733,000,000) and RM1,921,000,000 (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 31 December 2021 RM'000	As at 31 December 2020 RM'000
Balance as at the beginning of the financial year	1,020	1,020
Balance as at the end of the financial year	<u>1,020</u>	<u>1,020</u>

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

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 December 2021				
Balance as at the beginning of the financial year	37,729	134	-	37,863
Changes in credit risk	(15,323)	(43)	-	(15,366)
Purchases and origination	13,759	-	-	13,759
Changes to model methodologies	6,168	-	-	6,168
Derecognition and disposal	(5,664)	(14)	-	(5,678)
Exchange differences	227	-	-	227
Balance as at the end of the financial year	<u>36,896</u>	<u>77</u>	<u>-</u>	<u>36,973</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	-	-
Changes in credit risk	(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
31 December 2021				
Balance as at the beginning of the financial year	35,723	134	-	35,857
Changes in credit risk	(15,297)	(43)	-	(15,340)
Purchases and origination	12,791	-	-	12,791
Changes to model methodologies	6,168	-	-	6,168
Derecognition and disposal	(5,058)	(14)	-	(5,072)
Exchange differences	227	-	-	227
Balance as at the end of the financial year	<u>34,554</u>	<u>77</u>	<u>-</u>	<u>34,631</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	-	-
Changes in credit risk	(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 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	700,667	427,341	607,910	334,463
Malaysian Government Investment Issues	2,739,575	2,816,735	2,069,843	2,058,384
Cagamas bonds	622,800	477,050	607,715	477,050
Khazanah bonds	158,182	198,175	20,694	39,958
Negotiable instruments of deposits	500,595	-	-	-
Wakala Global Sukuk	-	28,928	-	20,666
Sukuk Perumahan Kerajaan	110,981	111,014	100,934	100,983
Singapore Government Treasury Bills	648,047	577,258	648,047	577,258
Sukuk (Brunei) Incorporation	30,872	30,411	30,872	30,411
Brunei Central Bank Bills	15,439	-	15,439	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	13,008,637	11,684,211	7,427,355	6,845,749
Corporate loan stocks	23,835	25,853	-	-
	18,559,630	16,376,976	11,528,809	10,484,922
Allowance for credit losses	(598,119)	(371,709)	(519,519)	(288,929)
	17,961,511	16,005,267	11,009,290	10,195,993

- (i) 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 RM384,000,000 (2020: RM224,000,000) and RM2,750,000,000 (2020: RM2,571,000,000) respectively.
- (ii) Included in financial investments at amortised cost of the Group are exposures to Restricted Investment Account ('RIA'), as part of the arrangement between RHB Islamic Bank and other investors based on Mudharabah concept between two parties, investors and RHB Islamic Bank. The investors will provide capital and the business venture is managed solely by RHB Islamic Bank. The profit of the business venture will be shared based on pre-agreed ratios with RHB Islamic Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by investors. As at 31 December 2021, gross exposure to RIA financing funded by investors at the Group is RM357,870,000 (2020: RMNil). The portfolio expected credit losses for financial investments at amortised cost relating to RIA is borne solely by the investors.



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A17. Financial investments at amortised cost (continued)

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

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Balance as at the beginning of the financial year	140,252	140,425	62,805	62,978
Transferred to lifetime ECL credit impaired (Stage 3)	608,076	-	-	-
Purchases and origination	496,948	-	-	-
Derecognition	(8,925)	(38)	(3,260)	(38)
Exchange differences	287	(135)	287	(135)
Balance as at the end of the financial year	<u>1,236,638</u>	<u>140,252</u>	<u>59,832</u>	<u>62,805</u>

The credit impaired financial investments at amortised cost relate to certain exposures to RIA, of which exposure with other investors amounted to RM357,870,000 (2020: RMNil).

(b) Movement in allowance for credit losses

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Balance as at the beginning of the financial year	11,871	220,148	139,690	371,709
Transferred to 12-month ECL (Stage 1)	123	(123)	-	-
Transferred to lifetime ECL not credit impaired (Stage 2)	(238)	238	-	-
Transferred to lifetime ECL credit impaired (Stage 3)	-	(270,509)	270,509	-
Changes in credit risk	5,953	805	167,254	174,012
Purchases and origination	3,354	735	-	4,089
Derecognition	(2,486)	(12)	-	(2,498)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	22	-	289	311
Balance as at the end of the financial year	<u>18,599</u>	<u>1,778</u>	<u>577,742</u>	<u>598,119</u>
31 December 2020				
Balance as at the beginning of the financial year	23,081	149,285	139,863	312,229
Changes in credit risk	(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>



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A17. Financial investments at amortised cost (continued)

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

Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 December 2021				
Balance as at the beginning of the financial year	6,674	220,013	62,242	288,929
Transferred to lifetime ECL credit impaired (Stage 3)	-	(270,509)	270,509	-
Changes in credit risk	6,316	-	172,919	179,235
Purchases and origination	1,706	-	-	1,706
Derecognition	(1,136)	-	-	(1,136)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	-	-	289	289
Balance as at the end of the financial year	<u>13,560</u>	<u>-</u>	<u>505,959</u>	<u>519,519</u>
31 December 2020				
Balance as at the beginning of the financial year	16,970	149,096	62,415	228,481
Changes in credit risk	(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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
At amortised cost				
Overdrafts	5,532,681	5,591,112	4,132,651	4,414,180
Term loans/financing				
- Housing loans/financing	71,111,818	65,651,613	46,003,666	44,045,052
- Syndicated term loans/financing	11,045,645	9,903,531	6,556,269	5,613,808
- Hire purchase receivables/financing	9,822,724	9,614,361	659,328	1,015,862
- Other term loans/financing	78,045,017	72,934,923	42,722,512	41,164,003
Bills receivables	5,466,845	3,765,638	5,084,332	3,378,674
Trust receipts	653,169	562,226	612,561	525,147
Claims on customers under acceptance credits	4,159,728	3,699,294	3,142,641	2,934,996
Share margin financing	2,002,139	2,185,523	308,609	356,465
Staff loans/financing	98,006	108,452	84,543	97,201
Credit/charge card receivables	1,936,629	2,021,947	1,665,110	1,747,981
Revolving credits/financing	8,637,366	10,074,892	6,426,835	7,116,639
Gross loans, advances and financing	198,511,767	186,113,512	117,399,057	112,410,008
Fair value changes arising from fair value hedges	(5,036)	117,725	(3,248)	8,681
	198,506,731	186,231,237	117,395,809	112,418,689
Less: Allowance for credit losses	(3,610,117)	(3,806,358)	(2,350,706)	(2,903,505)
Net loans, advances and financing	194,896,614	182,424,879	115,045,103	109,515,184

(i) Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM2,225,525,000 (2020: RM2,896,091,000) and RM1,484,141,000 (2020: RMNil) respectively.

(ii) Included in loans, advances and financing of the Group are exposures to Unrestricted Investment Account ('URIA'), as part of the arrangement between RHB Islamic Bank and other investors based on Wakalah concept, a trust-based contract in which a party (muwakkil) appoints another party as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/losses incurred is based on net distributable income calculated. Net distributable income is derived after deducting Wakalah fee, direct expenses and provisions (if any). Losses (if any) will be borne solely by the investors unless such losses are due to RHB Islamic Bank's misconduct, negligence or breach of specified terms in the contract between the investors and RHB Islamic Bank. As at 31 December 2021, gross exposure to URIA financing funded by investors at the Group is RM220,670,000 (2020: RMNil). The portfolio expected credit losses for financing and advances relating to URIA is borne solely by the investors.



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A18. Loans, Advances and Financing (continued)

(b) By type of customer

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Domestic non-bank financial institutions	3,430,530	4,028,623	666,638	710,488
Domestic business enterprises:				
- Small medium enterprises	29,383,897	28,122,412	22,250,233	22,614,690
- Others	32,293,478	28,960,697	16,367,652	14,938,302
Government and statutory bodies	6,283,148	6,512,428	31,290	65,260
Individuals	99,273,422	95,182,250	55,295,411	55,495,220
Other domestic entities	160,349	149,412	29,323	27,685
Foreign entities	27,686,943	23,157,690	22,758,510	18,558,363
	198,511,767	186,113,512	117,399,057	112,410,008

(c) By geographical distribution

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Malaysia	172,332,475	163,801,243	96,258,254	95,236,486
Labuan Offshore	1,746,020	2,321,773	-	-
Singapore	19,445,961	15,567,576	19,445,961	15,567,576
Thailand	1,721,007	1,548,312	1,510,805	1,433,375
Brunei	184,037	172,571	184,037	172,571
Cambodia	2,829,014	2,353,437	-	-
Lao	119,169	159,617	-	-
Indonesia	131,127	188,983	-	-
Vietnam	2,957	-	-	-
	198,511,767	186,113,512	117,399,057	112,410,008



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A18. Loans, Advances and Financing (continued)

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	135,102	107,350	99,571	87,334
- Hire purchase receivables/financing	1,766,382	2,559,984	659,306	1,015,862
- Other fixed rate loans/financing	22,688,406	21,721,680	10,741,916	9,035,344
Variable rate				
- Base lending/financing rate plus	114,224,412	105,332,857	70,246,144	68,875,787
- Cost-plus	47,374,156	46,787,748	24,772,398	25,523,231
- Other variable rates	12,323,309	9,603,893	10,879,722	7,872,450
	198,511,767	186,113,512	117,399,057	112,410,008

(e) By economic sector

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,610,387	3,500,827	3,033,089	1,967,721
Mining and quarrying	264,975	565,203	174,710	258,361
Manufacturing	10,937,418	9,717,560	8,118,520	7,143,108
Electricity, gas and water	1,364,316	1,734,819	620,024	1,362,272
Construction	13,550,490	13,318,314	8,002,112	8,121,305
Wholesale and retail trade and restaurant and hotel	19,795,696	17,874,802	15,843,095	14,876,841
Transport, storage and communication	8,335,675	7,410,118	1,666,529	1,929,825
Finance, insurance, real estate and business services	23,400,844	21,491,620	16,772,102	14,896,692
Government and government agencies	3,268,051	3,497,372	31,290	65,260
Education, health and others	6,185,353	6,099,353	2,103,605	2,019,308
Household sector	105,954,813	100,026,690	60,581,296	59,403,172
Others	843,749	876,834	452,685	366,143
	198,511,767	186,113,512	117,399,057	112,410,008



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A18. Loans, Advances and Financing (continued)

(f) By purpose

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	12,233,918	12,046,734	4,948,181	4,794,695
Purchase of transport vehicles	9,576,193	9,248,129	381,053	628,177
Purchase of landed property:				
- Residential	70,018,468	63,791,998	45,760,232	43,335,901
- Non-residential	19,610,259	19,503,376	13,527,848	13,792,771
Purchase of property, plant and equipment other than land and building	2,279,642	2,440,925	1,485,510	1,718,619
Personal use	11,680,382	11,063,576	6,805,381	6,456,314
Credit card	1,936,629	2,021,947	1,665,111	1,747,981
Purchase of consumer durables	9,085	12,014	9,085	12,014
Construction	7,208,836	7,704,997	5,903,401	6,051,960
Working capital	46,478,307	42,834,976	28,036,825	26,324,964
Merger and acquisition	2,662,058	1,804,322	46,214	489,461
Other purposes	14,817,990	13,640,518	8,830,216	7,057,151
	198,511,767	186,113,512	117,399,057	112,410,008

(g) By remaining contractual maturities

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	36,484,052	41,798,823	27,087,299	32,547,239
One year to three years	11,839,045	8,390,912	5,089,861	3,420,980
Three years to five years	17,100,913	13,464,779	9,831,533	5,759,252
Over five years	133,087,757	122,458,998	75,390,364	70,682,537
	198,511,767	186,113,512	117,399,057	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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Balance as at the beginning of the financial year	3,181,282	3,479,175	2,354,397	2,623,781
Transfer to 12-month ECL (Stage 1)	(76,826)	(81,820)	(59,146)	(61,711)
Transfer to lifetime ECL not credit impaired (Stage 2)	(413,319)	(285,113)	(359,552)	(242,488)
Transfer to lifetime ECL credit impaired (Stage 3)	1,362,455	757,571	505,604	559,554
Purchases and origination	350,971	453,405	301,989	297,792
Derecognition	(338,536)	(581,479)	(250,908)	(393,580)
Amount written off	(1,192,245)	(548,226)	(795,112)	(426,865)
Modification of contractual cash flow	(362)	(1,308)	(350)	(1,069)
Disposal of a subsidiary	-	(1,874)	-	-
Exchange differences	20,654	(9,049)	7,785	(1,017)
Other movements	56,433	-	39,925	-
Balance as at the end of the financial year	<u>2,950,507</u>	<u>3,181,282</u>	<u>1,744,632</u>	<u>2,354,397</u>

(ii) By economic sector

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	11,396	49,306	4,919	40,740
Mining and quarrying	2,876	196,348	2,876	4,518
Manufacturing	228,378	405,332	178,040	296,285
Electricity, gas and water	12,606	258,065	495	253,821
Construction	343,966	334,416	295,349	286,425
Wholesale and retail trade and restaurant and hotel	287,307	311,533	192,431	205,386
Transport, storage and communication	275,606	351,259	260,172	336,673
Finance, insurance, real estate and business services	276,180	248,228	242,405	214,185
Education, health and others	684,197	11,878	5,266	2,324
Household sector	794,530	988,055	560,901	710,475
Others	33,465	26,862	1,778	3,565
	<u>2,950,507</u>	<u>3,181,282</u>	<u>1,744,632</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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Purchase of securities	29,901	35,392	18,272	25,048
Purchase of transport vehicles	46,803	66,693	12,520	14,979
Purchase of landed property:				
- Residential	593,169	648,636	422,881	454,832
- Non-residential	385,600	379,793	291,286	273,214
Purchase of property, plant and equipment other than land and building	22,488	28,109	19,254	24,187
Personal use	92,969	191,429	81,577	183,944
Credit card	20,045	27,229	17,844	23,619
Purchase of consumer durables	588	885	588	885
Construction	61,395	97,811	61,021	70,838
Working capital	1,535,097	1,557,327	728,830	1,191,595
Other purposes	162,452	147,978	90,559	91,256
	2,950,507	3,181,282	1,744,632	2,354,397

(iv) By geographical distribution

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Malaysia	1,669,228	1,968,795	1,283,736	1,533,431
Labuan Offshore	678,850	265,901	-	-
Singapore	372,719	761,963	372,719	761,963
Thailand	94,355	61,364	83,371	52,413
Brunei	4,806	6,590	4,806	6,590
Cambodia	127,567	103,851	-	-
Lao	2,982	12,102	-	-
Indonesia	-	716	-	-
	2,950,507	3,181,282	1,744,632	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
31 December 2021				
Balance as at the beginning of the financial year	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)	259,949	(236,692)	(23,257)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(51,684)	157,604	(105,920)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(9,678)	(86,802)	96,480	-
	198,587	(165,890)	(32,697)	-
Changes in credit risk	(37,862)	164,989	953,753	1,080,880
Purchases and origination	115,170	72,551	24,452	212,173
Bad debts written off	-	-	(973,008)	(973,008)
Changes to model methodologies	7,191	(79,599)	3,426	(68,982)
Derecognition	(78,646)	(145,393)	(239,850)	(463,889)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Exchange differences	(814)	5,546	5,916	10,648
Other movements	-	-	56,433	56,433
Balance as at the end of the financial year	1,015,663	1,186,991	1,407,463	3,610,117
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)	-
Changes in credit risk	5,772	527,920	563,362	1,097,054
Purchases and origination	192,534	163,456	48,261	404,251
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
31 December 2021				
Balance as at the beginning of the financial year	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)	209,160	(190,921)	(18,239)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(40,356)	128,133	(87,777)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(8,965)	(78,917)	87,882	-
	159,839	(141,705)	(18,134)	-
Changes in credit risk	(131,942)	133,483	416,384	417,925
Purchases and origination	90,684	22,994	17,851	131,529
Bad debts written off	-	-	(687,210)	(687,210)
Changes to model methodologies	18,054	(65,964)	3,371	(44,539)
Derecognition	(67,860)	(88,123)	(210,462)	(366,445)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Exchange differences	1,278	1,050	4,184	6,512
Other movements	-	-	39,925	39,925
Balance as at the end of the financial year	708,275	848,909	793,522	2,350,706
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)	-
Changes in credit risk	110,131	289,607	415,150	814,888
Purchases and origination	163,955	102,631	42,533	309,119
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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Other receivables	889,136	920,774	277,203	454,334
Cash collateral in relation to derivative transactions	417,368	407,594	417,368	407,594
Deposits	45,191	43,477	34,910	30,637
Prepayments	168,715	120,392	112,499	67,678
Amount receivable for release of units from funds	207,850	36,355	-	-
Amount due from subsidiaries	-	-	1,000,729	317,805
	<u>1,728,260</u>	<u>1,528,592</u>	<u>1,842,709</u>	<u>1,278,048</u>



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A20. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Demand deposits	50,781,048	49,511,159	40,926,635	41,522,937
Savings deposits	14,824,462	13,267,557	12,042,346	10,913,587
Fixed/investment deposits	152,875,804	140,273,598	84,332,324	81,455,981
Negotiable instruments of deposits	251,271	418,469	251,271	418,469
	218,732,585	203,470,783	137,552,576	134,310,974

(b) By type of customer

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Government and statutory bodies	18,660,846	20,183,118	5,283,361	6,656,689
Business enterprises	114,383,371	103,449,050	75,741,317	70,758,550
Individuals	78,274,077	72,922,998	50,124,540	50,626,789
Others	7,414,291	6,915,617	6,403,358	6,268,946
	218,732,585	203,470,783	137,552,576	134,310,974

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

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Due within six months	116,302,584	105,692,228	61,461,628	63,247,679
Six months to one year	34,741,291	32,833,137	22,171,387	17,843,488
One year to three years	1,795,252	1,625,159	685,359	657,610
Three years to five years	287,948	541,543	265,221	125,673
	153,127,075	140,692,067	84,583,595	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
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Licensed banks		16,696,377	16,933,907	20,638,171	20,834,955
Licensed Islamic banks		1,295,130	948,447	-	1,307
Licensed investment banks		651,864	947,073	607,550	1,712,484
BNM/Other central banks	(a)	4,178,053	1,983,092	4,026,170	1,861,342
Other financial institutions		585,403	222,667	397,708	200,523
		23,406,827	21,035,186	25,669,599	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 Accounts

	Note	Group	
		As at	As at
		31 December	31 December
		2021	2020
		RM'000	RM'000
Mudharabah Restricted Investment Account	(a)	360,520	-
Wakalah Unrestricted Investment Account	(b)	220,771	-
		581,291	-

(a) Mudharabah Restricted Investment Account

By type of counterparty:

- Licensed banks **360,520**

Investment asset (principal):

- Unquoted securities **357,870**

(b) Wakalah Unrestricted Investment Account

By type of counterparty:

- Business enterprises **220,771**

Investment asset (principal):

- Personal financing **176,536**

- Housing financing **44,134**

220,670



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A23. Other Liabilities

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Other creditors and accruals	1,308,668	1,304,456	853,092	504,368
Amount payable for redemption units	348,404	58,430	-	-
Contract liabilities	205,971	244,711	63,000	84,000
Short term employee benefits	455,763	389,914	361,228	298,803
Accrual for operational expenses	265,925	220,404	197,033	171,107
Prepaid instalments	22,406	29,946	22,406	29,946
Cash collateral pledged for derivative transactions	112,719	428,280	112,719	428,280
Structured deposits	771,311	356,712	771,311	356,712
Remisiers' trust deposits	97,828	92,060	-	-
Dividend payable	-	401,005	-	401,005
Amount due to trust funds	457,587	296,396	-	-
Amount due to subsidiaries	-	-	6,584	13,151
	4,046,582	3,822,314	2,387,373	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 ('SME's) 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)

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)

Twelve months ended 31 December 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	3,709,209	3,466,234	713,920	241,426	(342,123)	-	7,788,666
Inter-segment revenue	-	43,079	1,295	(3,649)	16,464	(57,189)	-
Segment revenue	3,709,209	3,509,313	715,215	237,777	(325,659)	(57,189)	7,788,666
Other operating expenses	(1,996,873)	(957,819)	(499,860)	(119,636)	(5,386)	57,189	(3,522,385)
Including:							
- Depreciation of property, plant and equipment	(81,142)	(21,789)	(17,100)	(2,074)	(237)	-	(122,342)
- Depreciation of right of use assets	(33,974)	(17,163)	(18,124)	(2,616)	(227)	-	(72,104)
- Amortisation of intangible assets	(82,898)	(28,045)	(13,864)	(3,704)	-	-	(128,511)
Allowance for credit losses on financial assets	(81,968)	(552,020)	(106,104)	2,878	-	-	(737,214)
Impairment losses made on other non-financial assets	-	(314)	-	-	-	-	(314)
Profit/(Loss) before taxation and zakat	1,630,368	1,999,160	109,251	121,019	(331,045)	-	3,528,753
Taxation and zakat							(905,621)
Net profit for the financial year							<u>2,623,132</u>



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A24. Segmental Reporting (continued)

As at 31 December 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	123,340,916	125,483,089	36,326,831	1,598,767	632,391	287,381,994
Investments in associates and joint venture						12
Tax recoverable						131,283
Deferred tax assets						377,825
Unallocated assets						1,650,344
Total assets						<u>289,541,458</u>
Segment liabilities	103,685,123	118,540,352	29,827,870	1,164,185	30,992	253,248,522
Provision for taxation and zakat						124,163
Deferred tax liabilities						55
Borrowings						127,380
Senior debt securities						3,646,369
Subordinated obligations						3,221,882
Unallocated liabilities						1,142,576
Total liabilities						<u>261,510,947</u>



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A24. Segmental Reporting (continued)

Twelve months ended 31 December 2020

	Continuing Operations								
	Group Community Banking	Group Wholesale Banking	Group International Business	Insurance	Support Center and Others	Inter- Segment Elimination	Total	Discontinued Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	3,581,388	3,149,800	609,182	275,334	(429,992)	-	7,185,712	95,207	7,280,919
Inter-segment revenue	-	38,565	906	(4,119)	16,727	(52,079)	-	-	-
Segment revenue	3,581,388	3,188,365	610,088	271,215	(413,265)	(52,079)	7,185,712	95,207	7,280,919
Other operating expenses	(1,868,579)	(955,777)	(432,435)	(122,745)	(59,266)	52,079	(3,386,723)	(61,140)	(3,447,863)
Including:									
- Depreciation of property, plant and equipment	(76,079)	(18,979)	(14,159)	(2,131)	(238)	-	(111,586)	(978)	(112,564)
- Depreciation of right of use assets	(33,073)	(17,073)	(16,985)	(2,573)	(632)	-	(70,336)	(3,801)	(74,137)
- Amortisation of intangible assets	(77,436)	(23,291)	(11,467)	(3,203)	-	-	(115,397)	(2,250)	(117,647)
Allowance for credit losses on financial assets	(716,461)	(264,717)	(167,808)	4,639	(739)	-	(1,145,086)	(937)	(1,146,023)
Impairment losses made on other non-financial assets	-	(9,500)	-	-	-	-	(9,500)	-	(9,500)
Profit/(Loss) before taxation and zakat	996,348	1,958,371	9,845	153,109	(473,270)	-	2,644,403	33,130	2,677,533
Taxation and zakat							(639,912)	1,531	(638,381)
Net profit for the financial year							2,004,491	34,661	2,039,152



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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 Wealth Management Hong Kong Limited, an indirect wholly-owned subsidiary of the Bank, had been dissolved on 4 January 2022 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong, as further disclosed in Note B6(a).
- (b) The completion of the Proposed Disposal of PT RHB Asset Management Indonesia as further disclosed in Note B6(d).

A27. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the financial year ended 31 December 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.
 - (e) 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 has been 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). RHBRIS has been fully dissolved on 11 January 2022.



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A27. Changes in the Composition of the Group (continued)

There were no significant changes in the composition of the Group for the financial year ended 31 December 2021 other than the following (continued):

- (f) 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).
- (g) 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).
- (h) 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 Sole Co., Ltd ('RHB Bank Lao'). As a result, the issued share capital of RHB Bank Lao increased from LAK380.9 billion to LAK420.6 billion.
- (i) The following indirect wholly-owned subsidiaries of the Bank have commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016 on 27 December 2021:
 - (i) RHB International Asset Management Sdn Bhd;
 - (ii) RHB Islamic Asset Management Sdn Bhd; and
 - (iii) RHBIM Berhad.



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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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Contingent liabilities				
Direct credit substitutes	1,394,350	1,219,814	1,390,928	1,219,050
Transaction-related contingent items	3,077,649	3,202,339	2,714,070	2,865,660
Short term self-liquidating trade-related contingencies	977,071	903,594	883,894	895,540
	5,449,070	5,325,747	4,988,892	4,980,250
Commitments				
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	5,424,754	4,915,427	5,424,754	5,223,433
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	35,530	5,843	35,530	-
Irrevocable commitments to extend credit				
- Maturity less than one year	10,416,569	8,614,951	7,335,607	7,277,335
- Maturity more than one year	24,147,171	22,350,203	15,554,354	12,902,959
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	15,415,727	16,212,542	12,815,528	13,805,758
	55,439,751	52,098,966	41,165,773	39,209,485
Derivative financial instruments				
Foreign exchange related contracts^				
- Less than one year	46,065,953	55,476,927	50,314,717	58,071,384
- One year to less than five years	3,904,977	3,397,368	4,009,107	3,497,906
- More than five years	354,724	1,141,832	354,724	1,141,832
Commodity related contracts^				
- Less than one year	58,332	374,040	58,332	374,040
- One year to less than five years	244,110	181,225	244,110	181,225
- More than five years	100,051	-	100,051	-
Equity related contracts^				
- Less than one year	1,140,762	451,701	1,140,762	458,784
- One year to less than five years	4,286	-	4,286	-
Interest rate related contracts^				
- Less than one year	6,872,522	8,933,780	9,782,522	12,453,887
- One year to less than five years	31,697,379	20,627,991	33,697,379	22,292,883
- More than five years	6,445,228	9,470,841	8,245,228	11,585,841
	96,888,324	100,055,705	107,951,218	110,057,782
	157,777,145	157,480,418	154,105,883	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 31 December 2021	As at 31 December 2020
	RM'000	RM'000
Corporate guarantee issued in favour of the Stock Exchange of Thailand in relation to a derivative warrant programme of a subsidiary	-	16

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

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

(c) Contingent Liabilities

As at 31 December 2021, the Group has contingent liabilities amounting to approximately RM73 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 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for:				
- Property, plant and equipment	319,850	206,086	286,744	182,260
- Investment securities	-	13,266	-	-
	319,850	219,352	286,744	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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	7,612,612	6,994,103	7,612,612	6,994,103
Retained profits	18,689,157	17,339,102	13,954,209	13,660,680
Other reserves	704,808	556,644	491,179	444,776
FVOCI reserves	406,012	1,817,650	394,726	1,541,980
	27,412,589	26,707,499	22,452,726	22,641,539
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(567,938)	(533,609)	(503,178)	(487,937)
Deferred tax assets	(425,268)	(352,107)	(291,577)	(247,523)
55% of cumulative gains arising from change in value of FVOCI instruments	(223,307)	(999,707)	(217,099)	(848,089)
Investments in subsidiaries	(102,425)	(102,425)	(4,448,364)	(4,701,080)
Investments in associates and joint venture	(12)	(12)	-	-
Other deductions [#]	(11,043)	(19,504)	(10,691)	(21,261)
Total CET I Capital	23,444,398	22,061,937	15,266,904	14,620,736
Qualifying non-controlling interests recognised as Tier I Capital	170	210	-	-
Total Tier I Capital	23,444,568	22,062,147	15,266,904	14,620,736
Tier II Capital				
Subordinated obligations meeting all relevant criteria	2,249,289	1,749,531	2,249,289	1,749,531
Qualifying capital instruments of a subsidiary issued to third parties ⁺	398,771	465,001	-	-
Surplus eligible provisions over expected losses	510,312	538,079	375,828	401,269
General provisions [^]	292,712	179,727	210,705	85,599
Total Tier II Capital	3,451,084	2,932,338	2,835,822	2,236,399
Total Capital	26,895,652	24,994,485	18,102,726	16,857,135



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A30. Capital Adequacy Ratio (continued)

	Group		Bank [@]	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.831%	16.416%	16.094%	14.945%
Tier I Capital Ratio	17.831%	16.416%	16.094%	14.945%
Total Capital Ratio	20.455%	18.598%	19.083%	17.231%
After proposed dividends and DRP:				
CET I Capital Ratio	17.200% *	16.188% **	15.220% *	14.632% **
Tier I Capital Ratio	17.201%	16.188%	15.220%	14.632%
Total Capital Ratio	19.825%	18.370%	18.210%	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 and the Bank of RM85,609,000 (2020: RM12,200,000) and RM120,542,000 (2020: RMNil) respectively.

^{*} The Board of Directors have declared a final single-tier dividend of 25.00 sen per share in respect of the financial year ended 31 December 2021, amounting to RM1,035,730,000, consisting of cash portion of 15.00 sen per share and an electable portion of 10.00 sen per share (as disclosed in Note B6(b)). There is no irrevocable written undertaking from its shareholders, hence, the amount of the proposed final dividend may be reduced either by the average of the preceding 3-year take up rates or if less than 3 preceding years, the available average historical take up rates, subject to the amount being not more than 50% of the total electable portion of the dividend, in accordance with the Implementation Guidance on Capital Adequacy Framework (Capital Components) dated 9 December 2020.

^{**} With the implementation of the Proposed DRP in 2020, 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 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 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	3,716,002	2,896,031	481,289	331,261
FVOCI reserves	(28,023)	224,848	38,642	47,839
	5,361,403	4,794,303	1,739,931	1,866,873
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(717,155)	(720,426)
Intangible assets (include associated deferred tax liabilities)	(2,976)	(2,767)	(30,183)	(24,296)
Deferred tax assets	(102,565)	(78,167)	(22,684)	(17,985)
55% of cumulative gains arising from change in value of FVOCI instruments	-	(123,666)	(21,253)	(26,311)
Other deductions [#]	(918)	(2,643)	(71)	-
Total CET I Capital/Tier I Capital	5,254,944	4,587,060	576,190	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	134,679	137,002	-	-
General provisions [^]	52,467	69,026	10,428	9,921
Total Tier II Capital	937,146	956,028	210,428	209,921
Total Capital	6,192,090	5,543,088	786,618	915,381
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.635%	14.877%	29.319%	36.116%
Tier I Capital Ratio	17.635%	14.877%	29.319%	36.116%
Total Capital Ratio	20.780%	17.977%	40.027%	46.862%
After proposed dividends:				
CET I Capital Ratio	16.849%	14.714%	24.231%	36.116%
Tier I Capital Ratio	16.849%	14.714%	24.231%	36.116%
Total Capital Ratio	19.994%	17.815%	34.938%	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 RM41,763,000 (2020: RM54,526,000) and RM10,400,000 (2020: RM9,903,000) respectively.

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

	Group	Bank[@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Credit risk	115,070,774	83,477,653	27,011,235	834,269
Market risk	3,201,115	2,617,689	201,515	162,040
Operational risk	13,211,976	8,766,298	2,585,628	968,930
Total risk-weighted assets	<u>131,483,865</u>	<u>94,861,640</u>	<u>29,798,378</u>	<u>1,965,239</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 31 December 2021 RM'000	As at 31 December 2020 RM'000
Before proposed dividends:		
Solvency ratio	17.685%	18.819%
After proposed dividends:		
Solvency ratio	17.685%	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%.

A31. Credit Exposures Arising from Transactions with Connected Parties

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
Outstanding credit exposures with connected parties (RM'000)	13,184,949	15,707,526	8,690,660	11,155,639
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	5.47	6.89	5.82	7.78
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	0.04	0.09	-	0.02

The credit exposures above are derived based on BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.



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A32. Operations of Islamic Banking

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

	Note	Group		Bank	
		As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
ASSETS					
Cash and short-term funds		8,061,955	2,259,802	-	-
Deposits and placements with banks and other financial institutions		2,326,510	2,410,219	-	-
Financial assets at FVTPL		52,093	107,678	-	-
Financial assets at FVOCI		5,587,524	6,409,937	-	-
Financial investments at amortised cost		5,235,191	4,577,078	-	-
Financing and advances		75,232,072	67,675,470	970,383	996,810
Other assets		555,940	417,837	144,803	96,937
Derivative assets		9,175	6,573	-	-
Statutory deposits		20,000	12,000	-	-
Deferred tax assets		110,860	6,794	-	-
Right of use assets		2,528	4,750	-	-
Property, plant and equipment		3,452	3,944	-	-
Intangible assets		3,528	3,133	-	-
Total assets		97,200,828	83,895,215	1,115,186	1,093,747
LIABILITIES					
Deposits from customers		71,661,203	60,830,175	-	-
Deposits and placements of banks and other financial institutions		4,539,457	2,879,907	1,048,047	1,032,244
Investment accounts	A22	581,291	-	-	-
Bills and acceptances payable		8,287	12,182	-	-
Other liabilities		214,046	526,778	-	-
Derivative liabilities		44,104	193,402	-	-
Recourse obligation on financing sold to Cagamas		753,585	3,023,760	-	-
Provision for taxation and zakat		93,685	52,548	-	-
Lease liabilities		2,548	4,840	-	-
Subordinated obligations		754,573	754,514	-	-
Total liabilities		78,652,779	68,278,106	1,048,047	1,032,244
Islamic Banking Funds		18,548,049	15,617,109	67,139	61,503
Total liabilities and Islamic Banking Funds		97,200,828	83,895,215	1,115,186	1,093,747
Commitments and contingencies		19,633,698	18,555,062	1,032,116	36,157



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A32. Operations of Islamic Banking (continued)

(b) Income Statement for the Financial Year Ended 31 December 2021

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	759,340	721,246	2,936,041	2,789,835
Income derived from investment account funds	94,851	85,895	357,697	364,011
Income derived from investment of shareholders' funds	45,268	20,841	250,077	179,567
Net modification loss	(24,432)	(26,445)	(118,521)	(259,233)
Allowance for credit losses	25,123	(104,078)	(146,601)	(237,643)
Total distributable income	900,150	697,459	3,278,693	2,836,537
Income attributable to depositors	(356,727)	(359,633)	(1,426,365)	(1,667,761)
Profit distributed to investment account holders	(7,559)	-	(22,359)	-
	535,864	337,826	1,829,969	1,168,776
Personnel expenses	(13,328)	(8,539)	(33,739)	(30,607)
Other overheads and expenditures	(125,974)	(118,219)	(414,228)	(389,533)
Profit before taxation and zakat	396,562	211,068	1,382,002	748,636
Taxation and zakat	(63,993)	(38,069)	(241,027)	(110,180)
Net profit for the financial period/year	332,569	172,999	1,140,975	638,456

Statement of Comprehensive Income for the Financial Year Ended 31 December 2021

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period/year	332,569	172,999	1,140,975	638,456
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	(41,883)	(51,219)	(241,011)	181,011
- Net transfer to income statement on disposal	-	(4,775)	(91,714)	(39,942)
- Changes in expected credit losses	262	(171)	336	(394)
Income tax relating to components of other comprehensive loss/(income)	10,052	13,440	79,854	(33,856)
Other comprehensive (loss)/income, net of tax, for the financial period/year	(31,569)	(42,725)	(252,535)	106,819
Total comprehensive income for the financial period/year	301,000	130,274	888,440	745,275



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A32. Operations of Islamic Banking (continued)

(b) Income Statement for the Financial Year Ended 31 December 2021

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	2,698	2,718	10,815	12,981
Income derived from investment of shareholders' funds	-	401	15	479
Allowance for credit losses	(528)	6,920	(722)	(2,667)
Total distributable income	2,170	10,039	10,108	10,793
Income attributable to depositors	(1,331)	(1,316)	(5,380)	(9,188)
	839	8,723	4,728	1,605
Personnel expenses	-	(7)	-	(997)
Other overheads and expenditures	-	-	-	(22)
Profit before taxation	839	8,716	4,728	586
Taxation	-	-	-	-
Net profit for the financial period/year	839	8,716	4,728	586

Statement of Comprehensive Income for the Financial Year Ended 31 December 2021

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period/year	839	8,716	4,728	586
Total comprehensive income for the financial period/year	839	8,716	4,728	586



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A32. Operations of Islamic Banking (continued)

(d) Financing and Advances

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cashline	1,020,558	856,366	-	-
Term financing				
- Housing financing	24,537,246	21,169,443	-	-
- Syndicated term financing	3,257,874	3,067,225	-	-
- Hire purchase receivables	9,163,396	8,598,499	-	-
- Other term financing	33,803,255	30,582,237	978,132	1,003,732
Bills receivables	382,513	386,964	-	-
Trust receipts	40,694	37,079	-	-
Claims on customers under acceptance credits	1,017,087	764,298	-	-
Share margin financing	1,752	2,546	-	-
Staff financing	13,180	10,941	-	-
Credit/charge card receivables	271,518	273,966	-	-
Revolving financing	2,337,239	2,464,088	-	-
Gross financing and advances	75,846,312	68,213,652	978,132	1,003,732
Less: Allowance for credit losses	(614,240)	(538,182)	(7,749)	(6,922)
Net financing and advances	75,232,072	67,675,470	970,383	996,810
(i) Movements in impaired financing and advances				
Balance as at the beginning of the financial year	435,207	466,169	-	-
Transfer to 12-month ECL (Stage 1)	(15,496)	(15,918)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(53,767)	(42,625)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	157,405	176,565	-	-
Purchases and origination	31,079	26,127	3,689	-
Derecognition	(72,445)	(104,208)	-	-
Amount written off	(101,293)	(70,664)	-	-
Modification of contractual cash flow	(12)	(239)	-	-
Other movements	8,811	-	-	-
Balance as at the end of the financial year	389,489	435,207	3,689	-



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A32. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

(ii) Movement in allowance for credit losses

Group	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Balance as at the beginning of the financial year	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)	43,835	(38,816)	(5,019)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(11,059)	29,202	(18,143)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(645)	(5,733)	6,378	-
	32,131	(15,347)	(16,784)	-
Changes in credit risk	(25,566)	88,658	95,463	158,555
Purchases and origination	16,667	5,372	6,106	28,145
Bad debts written off	-	-	(61,989)	(61,989)
Changes to model methodologies	(4,952)	(8,592)	55	(13,489)
Derecognition	(7,269)	(12,504)	(24,307)	(44,080)
Exchange differences	105	-	-	105
Other movements	-	-	8,811	8,811
Balance as at the end of the financial year	174,674	252,606	186,960	614,240
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)	-
Changes in credit risk	56,898	98,014	85,435	240,347
Purchases and origination	23,374	9,502	5,728	38,604
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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A32. 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	RM'000	RM'000	RM'000
31 December 2021				
Balance as at the beginning of the financial year	6,922	-	-	6,922
Changes in credit risk	(3,062)	-	3,784	722
Exchange differences	105	-	-	105
Balance as at the end of the financial year	<u>3,965</u>	<u>-</u>	<u>3,784</u>	<u>7,749</u>
31 December 2020				
Balance as at the beginning of the financial year	4,254	-	-	4,254
Changes in credit risk	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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B1. Review of Group Results

(a) Current Financial Year vs Previous Financial Year

The Group reported a net profit of RM2,618.4 million for the financial year ended 31 December 2021, 28.8% higher from RM2,032.5 million recorded a year ago. This was mainly due to higher net fund based income, lower allowances for credit losses and lower net modification loss, partly offset by lower non-fund based income and higher operating expenses.

Net fund based income improved to RM5,874.7 million, driven by proactive funding cost management, which dropped 24.1% year-on-year supported by CASA growth of 4.5%.

Non-fund based income declined by 7.6% to RM2,158.8 million from a year ago driven by lower net trading and investment income, brokerage income and lower net gain on foreign exchange and derivative, partly offset by higher commercial banking, capital market and wealth management fee income and higher insurance underwriting surplus.

Operating expenses increased by 4.0% from a year ago at RM3,522.4 million. With positive JAWS, cost-to-income ratio improved to 45.2% compared with 47.1% a year ago.

Allowance credit losses was at RM737.2 million, 35.6% lower than previous year. Credit charge ratio was at 0.29% compared to 0.58% last year.

Total assets of the Group increased by 6.8% from December 2020 to RM289.5 billion as at 31 December 2021. Net assets per share was at RM6.76, with shareholders' equity at RM28.0 billion as at 31 December 2021.

The Group's gross loans and financing grew by 6.7% year-on-year to RM198.5 billion, mainly supported by growth in mortgage, corporate, SME and Singapore. Domestic loans and financing grew 4.8% year-on-year.

Customer deposits increased by 7.5% year-on-year to RM218.7 billion, predominantly attributed to CASA growth of 4.5%, and fixed and money market time deposits of 9.0%. CASA composition stood at 30.0% as at 31 December 2021.

Gross impaired loans was at RM3.0 billion as at 31 December 2021, with gross impaired loans ratio of 1.49% compared with RM3.2 billion and 1.71% at 31 December 2020. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained strong at 122.4% as at end-December 2021.



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B1. Review of Group Results

(b) Performance by Operating Segment

(i) GCB

GCB reported a pre-tax profit of RM1,630.4 million for the year, 63.6% higher than previous year. This was mainly attributed to lower allowances for credit losses and higher net fund based income and non-fund based income, partially offset by higher operating expenses.

Gross loans and financing was at RM124.2 billion, 6.1% higher year-on-year, primarily driven by growth in mortgages, SME and auto financing.

Total deposits increased by 9.9% year-on-year to RM100.9 billion as at 31 December 2021, contributed by growth in fixed deposits and CASA.

(ii) GWB

GWB posted a pre-tax profit of RM1,999.2 million, 2.1% higher from previous year. This is on the back of higher net fund based income and higher fee income, partially offset by lower net trading and investment income, higher expected credit losses and higher operating expenses.

Gross loans and financing increased by 1.6% year-on-year to RM50.3 billion. Total deposits increased by 3.4% to RM93.0 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 RM109.3 million, as compared to RM9.8 million recorded last year.

RHB Bank Singapore recorded a pre-tax profit of SGD14.9 million as compared to SGD4.6 million in the previous year. This was mainly due to higher net fund based income and non-fund based income, and lower expected credit losses, partially offset by higher operating expenses. Singapore loans and advances increased by 23.0% year-on-year to SGD6.3 billion, while deposits increased by 15.0% to SGD6.7 billion.

RHB Bank Cambodia recorded a pre-tax profit of USD19.1 million, as compared to USD2.7 million in 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 16.1% year-on-year to USD679.2 million, while deposits decreased by 3.9% to USD571.3 million.

(iv) Insurance

RHB Insurance Berhad registered a pre-tax profit of RM121.0 million, 21.0% 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 0.7% to RM631.2 million from RM635.6 million recorded in the preceding quarter ended 30 September 2021. This was primarily due to lower non-fund based income and higher operating expenses, partly offset by lower allowances for credit losses, lower net modification loss and higher net fund based income.

B3. Prospects for Financial Year 2022

The global economy is on its path to recovery, supported by the positive momentum in economic activities worldwide and the gradual reopening of international borders. Domestically, Malaysia's GDP is expected to grow by 5.5% in 2022. However, the emergence of new COVID-19 variants still poses downside risks.

For the banking sector, the demand for credit is expected to improve in tandem with improving economic growth prospect. Interest rate is also expected to gradually normalise with potential increase in OPR in 2022. Overall, the sector is projected to remain resilient supported by strong capital and liquidity levels as well as adequate impairment provisions made in the last two years. Notwithstanding the expectation of economic recovery, RHB Group will remain prudent and continue to monitor market development closely.

In response to the demands brought about by the pandemic including changing customer behaviors and preferences, we decided to reassess, reprioritise and accelerate certain initiatives which are reflected in our newly embarked 5-year (2022-2026) strategy, Together We Progress (TWP26). The focus of TWP26 will be on driving quality growth by embedding continuous emphasis on digitalisation, sustainability and building a future-ready workforce.

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

	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	317,651	240,835	929,989	808,475
- Overseas tax	4,822	(4,078)	27,380	4,949
Deferred tax	(34,086)	(100,277)	(59,583)	(175,190)
	<u>288,387</u>	<u>136,480</u>	<u>897,786</u>	<u>638,234</u>
Under/(Over) provision in respect of prior financial years	1,409	(2,069)	1,967	(2,413)
Tax expense	<u>289,796</u>	<u>134,411</u>	<u>899,753</u>	<u>635,821</u>
Zakat	1,500	455	5,868	4,091
	<u>291,296</u>	<u>134,866</u>	<u>905,621</u>	<u>639,912</u>

The effective tax rate of the Group for the fourth quarter and financial year ended 31 December 2021 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	4th Quarter Ended		Twelve Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period				
- Malaysian income tax	118,453	123,584	585,077	538,900
- Overseas tax	305	2,275	2,464	3,057
Deferred tax	(11,695)	(73,940)	(22,544)	(110,048)
	<u>107,063</u>	<u>51,919</u>	<u>564,997</u>	<u>431,909</u>
(Over)/Under provision in respect of prior financial years	535	1,584	(1,217)	1,584
	<u>107,598</u>	<u>53,503</u>	<u>563,780</u>	<u>433,493</u>

The effective tax rate of the Bank for the fourth quarter and financial year ended 31 December 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 strategy.

As part of RHB Hong Kong Group, RHB Finance Hong Kong Limited, RHB Asset Management Limited, RHB Capital Hong Kong Limited and RHB Wealth Management Hong Kong Limited, have been dissolved as disclosed in Notes A27(b), A27(g) and A26(a).

(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 26 January 2022, the Board of Directors of the Bank ('Board') had proposed a single-tier final dividend of 25.00 sen per share in respect of the financial year ended 31 December 2021 ('Final Dividend'), consisting of cash portion of 15.00 sen per share and an electable portion of 10.00 sen per share. The Board has determined that the existing DRP as mentioned above shall apply to the electable portion of the said Final Dividend.

(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').



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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):

(i) Identity of the digital bank (continued)

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.

(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.



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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):

(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.

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.



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B6. Status of Corporate Proposals (continued)

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

PT RHB Sekuritas Indonesia ('RHB Sekuritas'), a wholly-owned subsidiary of 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.

The approval of OJK for AllianzGI as the new controlling shareholder of RHBAMI was obtained on 6 January 2022 and the approval of OJK for the new Board of Commissioners of RHBAMI as proposed by AllianzGI were obtained on 29 December 2021 and 27 December 2021.

The Proposed Disposal was completed on 31 January 2022 and RHBAMI has since then ceased to be an indirect subsidiary of the Bank.

(e) Proposed establishment of share grant scheme ('Proposed SG')

The Bank had on 15 December 2021 announced that it proposed to establish and implement a share grant scheme of up to 2% of the total number of issued shares of the Bank (excluding treasury shares, if any) at any point in time during the duration the Proposed SGS for employees and Executive Directors of the Bank and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the eligibility criteria ('Eligible Employees').

The Proposed SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in the Bank ('RHB Bank Share(s)') to be vested in selected Eligible Employees ('Selected Employees') for the attainment of identified performance objectives. The Proposed SGS is to be administered by the Board Nominating and Remuneration Committee ('BNRC') comprising such persons as may be appointed by the Board from time to time. The BNRC will have the discretion in administering the Proposed SGS following the by-laws governing the Proposed SGS ('By-Laws').

In implementing the Proposed SGS, the Company will make an offer in writing to the Selected Employees ('Offer') and at the BNRC's discretion, decide that the vesting of any RHB Bank Shares under the Proposed SGS for those Selected Employees who have accepted the Offer ('Grant') ('Grantee(s)') be satisfied by any of the following methods:

- (i) allotment and issuance of new RHB Bank Shares by the Bank to the Grantees;
- (ii) acquisition of existing RHB Bank Shares from the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities'), followed by the transfer of such RHB Bank Shares to the Grantees;
- (iii) transfer of RHB Bank Shares held in treasury to the Grantees;
- (iv) cash payment in lieu of (i), (ii) or (iii) above;
- (v) any other methods as may be permitted by the Companies Act, 2016; or
- (vi) any combination of any of the above.



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B6. Status of Corporate Proposals (continued)

(e) Proposed establishment of share grant scheme ('Proposed SG') (continued)

The Proposed SGS shall be in force for a period of nine years commencing from the effective date of implementation of the Proposed SGS, being the date of full compliance with all relevant provisions of the Main Market Listing Requirements of Bursa Securities in relation to the Proposed SGS, more particularly set out in the By-Laws.

The new RHB Bank Shares to be allotted and issued pursuant to the Grantees pursuant to the Proposed SGS will be subject to the provisions of the Constitution of the Bank and shall, upon allotment and issuance, rank equally in all respects with the existing RHB Bank Shares.

The Proposed SGS is subject to approvals being obtained from the following:

- (i) Bursa Securities, for the listing and quotation of the new RHB Bank Shares to be issued pursuant to the Proposed SGS on the Main Market of Bursa Securities, of which application has been made on 11 February 2022 and Bursa Securities had vide its letter dated 17 February 2022 approved the listing of such new RHB Bank Shares representing up to 2% of the total number of issued shares of the Bank to be issued pursuant to the Proposed SGS;
- (ii) Bursa Malaysia Depository Sdn Bhd for the transfer of treasury shares and/or the existing RHB Bank Shares to the Grantees pursuant to the Proposed SGS at any point in time during the duration of the Proposed SGS, if required;
- (iii) BNM for the increase in the issued shares of the Bank, of which approval was obtained on 4 October 2016;
- (iv) shareholders of the Bank at an extraordinary general meeting ('EGM') to be convened; and
- (v) any other relevant authorities/parties, if required.

The Proposed SGS is not conditional or inter-conditional upon any other corporate exercise/scheme by the Bank.

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Bank expects to implement the Proposed SGS by the second quarter of 2022.



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

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

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Deposits from customers				
- One year or less	216,649,385	201,304,081	136,601,996	133,527,691
- More than one year	2,083,200	2,166,702	950,580	783,283
	<u>218,732,585</u>	<u>203,470,783</u>	<u>137,552,576</u>	<u>134,310,974</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	18,780,203	19,126,009	21,266,823	22,820,715
- One year to three years	1,858,196	417,425	1,732,750	381,011
- Three years to five years	1,362,647	270,001	1,281,367	207,987
- Over five years	1,405,781	1,221,751	1,388,659	1,200,898
	<u>23,406,827</u>	<u>21,035,186</u>	<u>25,669,599</u>	<u>24,610,611</u>

(b) Borrowings

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Secured				
Term loans:				
- Cambodian Riel	11,001	137,750	-	-
Unsecured				
Term loans:				
- United States Dollar	-	201,101	-	201,101
Promissory note:				
- Indonesia Rupiah	14,619	150,665	-	-
- Thai Baht	101,760	145,114	-	-
	<u>127,380</u>	<u>634,630</u>	<u>-</u>	<u>201,101</u>
Scheduled repayment of borrowings:				
- Within one year	<u>127,380</u>	<u>634,630</u>	<u>-</u>	<u>201,101</u>



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

(c) Senior debt securities

	Group and Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
USD500 million 2.503% senior debt securities due in 2021	-	2,021,872
USD300 million 3.766% senior debt securities due in 2024	1,265,758	1,221,568
RM300 million 2.85% senior Sukuk Murabahah due in 2025	301,587	301,710
USD500 million 1.658% senior debt securities due in 2026	2,079,024	-
	<u>3,646,369</u>	<u>3,545,150</u>

(d) Subordinated obligations

	Group		Bank	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027	252,206	252,206	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027	759,287	759,029	759,287	759,029
4.90% RM200 million Tier II Subordinated Notes 2017/2027	202,175	202,148	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	502,367	502,308	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	501,366	501,280	501,366	501,280
3.13% RM500 million Tier II Subordinated Notes 2020/2030	501,463	501,758	501,463	501,758
3.65% RM500 million Tier II Subordinated Notes 2021/2031	503,018	-	503,018	-
	<u>3,221,882</u>	<u>2,718,729</u>	<u>2,265,134</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 31 December 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	44,563,855	155,571	313,681	55,252,294	709,273	789,622
- Options	280,615	5,491	29	635,544	5,358	2,047
- Cross-currency interest rate swaps	5,481,184	154,693	116,643	4,128,289	275,156	211,792
	50,325,654	315,755	430,353	60,016,127	989,787	1,003,461
Interest rate related contracts						
- Swaps	36,459,614	302,842	279,070	30,993,176	632,982	617,341
Commodity related contracts						
- Options	402,493	22,325	22,329	555,265	12,189	12,189
Equity related contracts						
- Options	1,145,048	1,127	1,112	451,701	17,280	17,426
Futures related contracts						
	93,017	911	373	200,537	895	-
Structured warrants						
	284,760	-	21,549	456,101	-	71,703
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,555,515	75,655	133,140	8,039,436	346	312,675
Total	97,266,101	718,615	887,926	100,712,343	1,653,479	2,034,795



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B8. Derivative Financial Instruments (continued)

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

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

Bank	As at 31 December 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	48,437,748	183,224	328,558	57,484,810	726,266	805,366
- Options	280,615	5,491	29	635,544	5,358	2,047
- Cross-currency interest rate swaps	5,960,185	154,693	116,829	4,590,768	275,156	212,086
	54,678,548	343,408	445,416	62,711,122	1,006,780	1,019,499
Interest rate related contracts						
- Swaps	46,969,614	413,315	389,543	42,093,175	754,318	735,456
Commodity related contracts						
- Options	402,493	22,325	22,329	555,265	12,189	12,189
Equity related contracts						
- Options	1,145,048	1,127	1,112	458,784	17,280	17,426
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,755,515	18,661	79,661	4,239,436	-	194,572
Total	107,951,218	798,836	938,061	110,057,782	1,790,567	1,979,142



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B8. Derivative Financial Instruments (continued)

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

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

Group	As at 31 December 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	46,065,953	213,324	326,624	55,476,927	750,346	805,183
- One year to three years	1,985,490	45,345	55,433	2,249,295	116,978	95,624
- More than three years	2,274,211	57,086	48,296	2,289,905	122,463	102,654
	<u>50,325,654</u>	<u>315,755</u>	<u>430,353</u>	<u>60,016,127</u>	<u>989,787</u>	<u>1,003,461</u>
Interest rate related contracts						
- Less than one year	6,376,200	6,206	19,129	8,515,850	36,905	49,469
- One year to three years	14,402,212	64,068	61,939	7,793,323	51,842	62,671
- More than three years	15,681,202	232,568	198,002	14,684,003	544,235	505,201
	<u>36,459,614</u>	<u>302,842</u>	<u>279,070</u>	<u>30,993,176</u>	<u>632,982</u>	<u>617,341</u>
Commodity related contracts						
- Less than one year	58,332	148	148	374,040	12,189	12,189
- One year to three years	15,083	12	12	73,466	-	-
- More than three years	329,078	22,165	22,169	107,759	-	-
	<u>402,493</u>	<u>22,325</u>	<u>22,329</u>	<u>555,265</u>	<u>12,189</u>	<u>12,189</u>
Equity related contracts						
- Less than one year	1,140,762	1,127	1,112	451,701	17,280	17,426
- One year to three years	4,286	-	-	-	-	-
	<u>1,145,048</u>	<u>1,127</u>	<u>1,112</u>	<u>451,701</u>	<u>17,280</u>	<u>17,426</u>
Futures related contracts						
- Less than one year	93,017	911	373	200,537	895	-
	<u>93,017</u>	<u>911</u>	<u>373</u>	<u>200,537</u>	<u>895</u>	<u>-</u>
Structured warrants						
- Less than one year	284,760	-	21,549	456,101	-	71,703
	<u>284,760</u>	<u>-</u>	<u>21,549</u>	<u>456,101</u>	<u>-</u>	<u>71,703</u>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	496,322	413	140	417,930	-	5,252
- One year to three years	2,753,083	355	63,725	606,456	-	29,337
- More than three years	5,306,110	74,887	69,275	7,015,050	346	278,086
	<u>8,555,515</u>	<u>75,655</u>	<u>133,140</u>	<u>8,039,436</u>	<u>346</u>	<u>312,675</u>
Total	<u>97,266,101</u>	<u>718,615</u>	<u>887,926</u>	<u>100,712,343</u>	<u>1,653,479</u>	<u>2,034,795</u>



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B8. Derivative Financial Instruments (continued)

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

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

Bank	As at 31 December 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	50,314,717	240,977	341,501	58,071,384	767,339	820,928
- One year to three years	2,089,620	45,345	55,433	2,349,833	116,978	95,624
- More than three years	2,274,211	57,086	48,482	2,289,905	122,463	102,947
	54,678,548	343,408	445,416	62,711,122	1,006,780	1,019,499
Interest rate related contracts						
- Less than one year	9,286,200	6,206	19,129	12,035,957	36,903	49,473
- One year to three years	16,402,212	95,094	92,965	8,773,216	78,888	89,397
- More than three years	21,281,202	312,015	277,449	21,284,002	638,527	596,586
	46,969,614	413,315	389,543	42,093,175	754,318	735,456
Commodity related contracts						
- Less than one year	58,332	148	148	374,040	12,189	12,189
- One year to three years	15,083	12	12	73,466	-	-
- More than three years	329,078	22,165	22,169	107,759	-	-
	402,493	22,325	22,329	555,265	12,189	12,189
Equity related contracts						
- Less than one year	1,140,762	1,127	1,112	458,784	17,280	17,426
- One year to three years	4,286	-	-	-	-	-
	1,145,048	1,127	1,112	458,784	17,280	17,426
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	496,322	413	140	417,930	-	5,252
- One year to three years	1,753,084	355	32,699	106,456	-	2,611
- More than three years	2,506,109	17,893	46,822	3,715,050	-	186,709
	4,755,515	18,661	79,661	4,239,436	-	194,572
Total	107,951,218	798,836	938,061	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
31 December 2021				
<u>Financial assets</u>				
Financial assets at FVTPL:	233,908	1,903,186	641,145	2,778,239
- Money market instruments	-	630,633	-	630,633
- Quoted securities	233,908	-	-	233,908
- Unquoted securities	-	1,272,553	641,145	1,913,698
Financial assets at FVOCI:	2,218	40,379,822	758,833	41,140,873
- Money market instruments	-	17,021,274	-	17,021,274
- Quoted securities	2,218	-	-	2,218
- Unquoted securities	-	23,358,548	758,833	24,117,381
Derivative assets	-	718,615	-	718,615
	236,126	43,001,623	1,399,978	44,637,727
<u>Financial liabilities</u>				
Derivative liabilities	21,549	866,377	-	887,926
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	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
<u>Financial assets</u>				
Financial assets at FVTPL:	2,351	823,577	14,482	840,410
- Money market instruments	-	578,540	-	578,540
- Quoted securities	2,351	-	-	2,351
- Unquoted securities	-	245,037	14,482	259,519
Financial assets at FVOCI:	-	34,233,732	721,769	34,955,501
- Money market instruments	-	14,867,332	-	14,867,332
- Unquoted securities	-	19,366,400	721,769	20,088,169
Derivative assets	-	798,836	-	798,836
	<u>2,351</u>	<u>35,856,145</u>	<u>736,251</u>	<u>36,594,747</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	938,061	-	938,061
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 year.

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B9. Fair Value of Financial Instruments (continued)

(i) Valuation techniques

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

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

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

(ii) Reconciliation of fair value movements in Level 3

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

	Group		Bank	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 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 year	547,085	505,596	13,657	12,879
Total net gain recognised in income statements	65,563	56,815	-	-
Purchases	35,000	7,567	825	778
Settlement/distribution	(25,674)	(12,249)	-	-
Exchange differences	19,171	(10,644)	-	-
Balance as at the end of the financial year	<u>641,145</u>	<u>547,085</u>	<u>14,482</u>	<u>13,657</u>
Financial assets at FVOCI				
Balance as at the beginning of the financial year	753,828	694,400	712,602	655,331
Total net gain recognised in other comprehensive income	13,864	60,340	12,148	58,169
Settlement/disposal	(8,850)	(898)	(2,981)	(898)
Exchange differences	(9)	(14)	-	-
Balance as at the end of the financial year	<u>758,833</u>	<u>753,828</u>	<u>721,769</u>	<u>712,602</u>



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B10. Significant Event During the Financial Year

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

RHB Bank (L) Ltd ('RHBBL') had on 11 March 2021 completed the disposal of its entire equity interest in RHBIT to Pacific Trustees Berhad for a cash consideration of USD173,490 (equivalent to RM713,000).

The cash flow and net assets of RHBIT 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	(39)
Gain on disposal of a subsidiary	752
Sales consideration	713
Less: Contingent consideration	(219)
Cash inflow on disposal of a subsidiary	494

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

- (a) The Directors have proposed a final single-tier dividend of 25.00 sen per share, amounting to RM1,035,730,000 in respect of the financial year ended 31 December 2021.
- (i) Amount per share: Single-tier final dividend of 25.00 sen per share, consisting of cash portion of 15.00 sen per share to be paid in cash and an electable portion of 10.00 sen per share
- (ii) Entitlement date: To be determined and announced later
- (iii) Payment date: To be determined and announced later
- Subject to the relevant regulatory approvals being obtained, 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 proposed single-tier final dividend into new ordinary shares in the Bank in accordance with the approved DRP as disclosed in Note B6(b).
- (b) Total dividend per share for the current financial year:
- (i) Single-tier interim dividend of 15.00 sen per share, consisting of cash portion of 5.00 sen per share to be paid in cash and an electable portion of 10.00 sen per share; and
- (ii) Proposed single-tier final dividend of 25.00 sen per share, consisting of cash portion of 15.00 sen per share to be paid in cash and an electable portion of 10.00 sen per share.
- (c) Total dividend paid for the previous financial year ended 31 December 2020:
- (i) Single-tier interim dividend of 10.00 sen per share; and
- (ii) Single-tier final dividend of 7.65 sen per share, consisting of electable portion of 7.65 sen per share.



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B12. Earnings per Share

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
Profit attributable to equity holders of the Bank (RM'000)				
- Continuing operations	631,165	438,631	2,618,388	1,997,869
- Discontinued operation	-	-	-	34,661
	631,165	438,631	2,618,388	2,032,530
Weighted average number of ordinary shares in issue ('000)	4,114,554	4,010,045	4,049,968	4,010,045
Earnings per share (sen)				
- Continuing operations	15.3	10.9	64.7	49.8
- Discontinued operation	-	-	-	0.9
	15.3	10.9	64.7	50.7

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

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(License No. LS0006901)

Company Secretary
28 February 2022