



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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2022**

Group	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A8	<b>1,685,309</b>	1,562,998	<b>3,265,937</b>	3,149,643
Interest expense	A9	<b>(654,082)</b>	(549,763)	<b>(1,244,768)</b>	(1,135,028)
Net interest income		<b>1,031,227</b>	1,013,235	<b>2,021,169</b>	2,014,615
Other operating income	A10	<b>313,221</b>	500,784	<b>717,783</b>	937,450
Income from Islamic Banking business	A32(b)	<b>601,499</b>	491,503	<b>1,110,438</b>	1,013,647
Modification loss	A11	-	-	-	(37,271)
Net income		<b>1,945,947</b>	2,005,522	<b>3,849,390</b>	3,928,441
Other operating expenses	A12	<b>(888,551)</b>	(864,508)	<b>(1,747,627)</b>	(1,749,572)
Operating profit before allowances		<b>1,057,396</b>	1,141,014	<b>2,101,763</b>	2,178,869
Allowance for credit losses on financial assets	A13	<b>(38,596)</b>	(227,259)	<b>(192,411)</b>	(401,159)
Impairment losses made on other non-financial assets		-	(314)	-	(314)
		<b>1,018,800</b>	913,441	<b>1,909,352</b>	1,777,396
Share of results of joint venture		<b>2</b>	-	-	-
Profit before taxation and zakat		<b>1,018,802</b>	913,441	<b>1,909,352</b>	1,777,396
Taxation and zakat	B5	<b>(383,219)</b>	(209,979)	<b>(672,517)</b>	(423,306)
Net profit for the financial period		<b>635,583</b>	703,462	<b>1,236,835</b>	1,354,090
Attributable to:					
- Equity holders of the Bank		<b>634,828</b>	701,343	<b>1,235,095</b>	1,351,631
- Non-controlling interests		<b>755</b>	2,119	<b>1,740</b>	2,459
		<b>635,583</b>	703,462	<b>1,236,835</b>	1,354,090
Earnings per share (sen):					
- Profit attributable to equity holders of the Bank					
- Basic	B12	<b>15.3</b>	17.5	<b>29.8</b>	33.7
- Diluted	B12	<b>15.3</b>	17.5	<b>29.8</b>	33.7

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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Group		RM'000	RM'000	RM'000	RM'000
Net profit for the financial period		<b>635,583</b>	703,462	<b>1,236,835</b>	1,354,090
Other comprehensive income/(loss) in respect of:					
(i) Items that will not be reclassified to profit or loss:					
(a) Actuarial gain on defined benefit plan of subsidiaries		-	2,494	<b>91</b>	1,894
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')					
- Unrealised net (loss)/gain on revaluation		<b>(20,443)</b>	23,290	<b>(19,985)</b>	26,488
(ii) Items that will be reclassified subsequently to profit or loss:					
(a) Foreign currency translation reserves					
- Currency translation differences		<b>91,720</b>	(11,821)	<b>116,097</b>	71,491
- Realisation of translation reserves	B10	-	-	<b>(347)</b>	-
(b) Debt instruments measured at FVOCI					
- Unrealised net (loss)/gain on revaluation		<b>(891,139)</b>	321,306	<b>(1,583,362)</b>	(963,191)
- Net transfer to income statements on disposal		<b>(5,296)</b>	(116,366)	<b>(43,143)</b>	(256,075)
- Changes in expected credit losses and exchange differences		<b>13,136</b>	10,417	<b>12,639</b>	10,465
Income tax relating to components of other comprehensive loss/(income)		<b>215,133</b>	(49,805)	<b>390,591</b>	291,918
Other comprehensive (loss)/income, net of tax, for the financial period		<b>(596,889)</b>	179,515	<b>(1,127,419)</b>	(817,010)
Total comprehensive income for the financial period		<b>38,694</b>	882,977	<b>109,416</b>	537,080
Total comprehensive income attributable to:					
- Equity holders of the Bank		<b>37,917</b>	880,853	<b>107,648</b>	534,630
- Non-controlling interests		<b>777</b>	2,124	<b>1,768</b>	2,450
		<b>38,694</b>	882,977	<b>109,416</b>	537,080

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 2021.



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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Note	2nd Quarter Ended		Six Months Ended	
		30 June	30 June	30 June	30 June
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Bank</b>					
Interest income	A8	<b>1,717,621</b>	1,532,462	<b>3,264,978</b>	3,097,348
Interest expense	A9	<b>(635,377)</b>	(533,788)	<b>(1,208,027)</b>	(1,101,057)
Net interest income		<b>1,082,244</b>	998,674	<b>2,056,951</b>	1,996,291
Other operating income	A10	<b>283,961</b>	318,647	<b>819,252</b>	583,239
Income from Islamic Banking business	A32(b)	<b>1,420</b>	1,482	<b>2,855</b>	2,828
Modification loss	A11	<b>-</b>	-	<b>-</b>	(16,674)
Net income		<b>1,367,625</b>	1,318,803	<b>2,879,058</b>	2,565,684
Other operating expenses	A12	<b>(582,743)</b>	(589,403)	<b>(1,143,580)</b>	(1,190,211)
Operating profit before allowances		<b>784,882</b>	729,400	<b>1,735,478</b>	1,375,473
Allowance for credit losses on financial assets	A13	<b>132,778</b>	20,462	<b>113,002</b>	(44,206)
Profit before taxation		<b>917,660</b>	749,862	<b>1,848,480</b>	1,331,267
Taxation	B5	<b>(279,307)</b>	(165,228)	<b>(478,691)</b>	(301,863)
Net profit for the financial period		<b>638,353</b>	584,634	<b>1,369,789</b>	1,029,404

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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Net profit for the financial period	<b>638,353</b>	584,634	<b>1,369,789</b>	1,029,404
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 (loss)/gain on revaluation	<b>(22,176)</b>	23,716	<b>(21,875)</b>	24,973
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	<b>24,604</b>	(8,862)	<b>35,071</b>	12,614
(b) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	<b>(768,081)</b>	271,848	<b>(1,397,629)</b>	(792,722)
- Net transfer to income statements on disposal	<b>(4,486)</b>	(86,231)	<b>(37,874)</b>	(189,476)
- Changes in expected credit losses and exchange differences	<b>8,920</b>	10,722	<b>9,207</b>	10,801
Income tax relating to components of other comprehensive loss/(income)	<b>185,415</b>	(44,548)	<b>344,521</b>	235,728
Other comprehensive (loss)/income, net of tax, for the financial period	<b>(575,804)</b>	166,645	<b>(1,068,579)</b>	(698,082)
Total comprehensive income for the financial period	<b>62,549</b>	751,279	<b>301,210</b>	331,322

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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Note	Group		Bank	
		As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>ASSETS</b>					
Cash and short-term funds		17,913,189	19,831,323	12,718,688	10,409,623
Securities purchased under resale agreements		101,714	-	880,010	-
Deposits and placements with banks and other financial institutions		4,135,426	3,486,773	7,800,686	7,886,688
Investment account due from designated financial institutions	A14	-	-	8,878,371	10,213,639
Financial assets at fair value through profit or loss ('FVTPL')	A15	4,515,561	2,778,239	2,548,785	840,410
Financial assets at fair value through other comprehensive income ('FVOCI')	A16	39,631,924	41,140,873	34,041,903	34,955,501
Financial investments at amortised cost	A17	21,671,478	17,961,511	14,613,686	11,009,290
Loans, advances and financing	A18	200,905,989	194,896,614	118,111,545	115,045,103
Clients' and brokers' balances		757,194	879,595	-	-
Reinsurance assets		567,094	435,342	-	-
Other assets	A19	1,723,434	1,728,260	2,380,818	1,842,709
Derivative assets	B8	1,766,915	718,615	1,772,147	798,836
Statutory deposits		528,348	635,012	246,329	356,687
Tax recoverable		115,846	131,283	-	61,942
Deferred tax assets		759,531	377,825	572,824	234,795
Investments in subsidiaries		-	-	4,660,359	4,648,681
Investments in associates and joint venture		12	12	-	-
Right-of-use assets		160,258	174,482	78,445	91,368
Property, plant and equipment		1,030,835	1,016,824	767,137	762,684
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		713,969	694,753	625,680	603,134
<b>TOTAL ASSETS</b>		<b>299,652,839</b>	<b>289,541,458</b>	<b>212,412,326</b>	<b>201,476,003</b>
<b>LIABILITIES</b>					
Deposits from customers	A20/B7(a)	225,942,028	218,732,585	144,264,771	137,552,576
Deposits and placements of banks and other financial institutions	A21/B7(a)	24,858,428	23,406,827	28,363,498	25,669,599
Obligations on securities sold under repurchase agreements		2,948,046	2,066,068	5,533,797	4,867,026
Investment accounts	A22	1,155,476	581,291	-	-
Bills and acceptances payable		205,654	210,119	197,838	201,832
Clients' and brokers' balances		833,133	948,511	-	-
General insurance contract liabilities		1,225,573	1,068,687	-	-
Other liabilities	A23	3,660,013	4,046,582	2,698,979	2,387,373
Derivative liabilities	B8	1,192,474	887,926	1,316,596	938,061
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,259,717	2,259,895	1,506,182	1,506,310
Provision for taxation and zakat		553,241	124,163	372,009	-
Deferred tax liabilities		2,188	55	-	-
Lease liabilities		167,518	182,607	79,915	92,935
Borrowings	B7(b)	129,575	127,380	-	-
Senior debt securities	B7(c)	3,841,745	3,646,369	3,841,745	3,646,369
Subordinated obligations	B7(d)	3,221,608	3,221,882	2,265,178	2,265,134
<b>TOTAL LIABILITIES</b>		<b>272,196,417</b>	<b>261,510,947</b>	<b>190,440,508</b>	<b>179,127,215</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT 30 JUNE 2022**

	Note	Group		Bank	
		As at	As at	As at	As at
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>EQUITY</b>					
Share capital		7,970,162	7,612,612	7,970,162	7,612,612
Reserves		19,457,634	20,385,716	14,001,656	14,736,176
<b>Equity attributable to holders of the Bank</b>		<b>27,427,796</b>	27,998,328	<b>21,971,818</b>	22,348,788
Non-controlling interests ('NCI')		28,626	32,183	-	-
<b>TOTAL EQUITY</b>		<b>27,456,422</b>	28,030,511	<b>21,971,818</b>	22,348,788
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>299,652,839</b>	289,541,458	<b>212,412,326</b>	201,476,003
<b>COMMITMENTS AND CONTINGENCIES</b>	A28(a)	<b>186,687,810</b>	157,777,145	<b>177,686,839</b>	154,105,883
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)</b>		<b>6.51</b>	6.76		

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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

Group	Note	Attributable to equity holders of the Bank						Total Shareholders' Equity	Non-controlling Interests	Total Equity	
		Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves				Retained Profits
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance as at 1 January 2022</b>		<b>7,612,612</b>	<b>104,645</b>	<b>328,129</b>	<b>443,003</b>	<b>562,410</b>	<b>23,331</b>	<b>18,924,198</b>	<b>27,998,328</b>	<b>32,183</b>	<b>28,030,511</b>
Net profit for the financial period		-	-	-	-	-	-	1,235,095	1,235,095	1,740	1,236,835
Foreign currency translation reserves:											
- Currency translation differences		-	-	-	-	110,017	-	6,055	116,072	25	116,097
- Realisation of translation reserves	B10	-	-	-	-	(347)	-	-	(347)	-	(347)
Financial assets measured at FVOCI:											
- Equity instruments											
- Unrealised net loss on revaluation		-	-	-	(19,985)	-	-	-	(19,985)	-	(19,985)
- Debt instruments											
- Unrealised net loss on revaluation		-	-	-	(1,583,362)	-	-	-	(1,583,362)	-	(1,583,362)
- Net transfer to income statements on disposal		-	-	-	(43,143)	-	-	-	(43,143)	-	(43,143)
- Changes in expected credit losses and exchange differences		-	-	-	12,639	-	-	-	12,639	-	12,639
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	90	90	1	91
Income tax relating to components of other comprehensive loss		-	-	-	390,361	-	-	228	390,589	2	390,591
Other comprehensive (loss)/income, net of tax, for the financial period		-	-	-	(1,243,490)	109,670	-	6,373	(1,127,447)	28	(1,127,419)
Total comprehensive income/(loss) for the financial period		-	-	-	(1,243,490)	109,670	-	1,241,468	107,648	1,768	109,416
Dividends paid		-	-	-	-	-	-	(1,035,730)	(1,035,730)	(5,300)	(1,041,030)
Shares issued pursuant to Dividend Reinvestment Plan ('DRP')		357,550	-	-	-	-	-	-	357,550	-	357,550
Transfer to statutory reserves		-	6,055	-	-	-	-	(6,055)	-	-	-
Transfer to regulatory reserves		-	-	101,903	-	-	-	(101,903)	-	-	-
Disposal of a subsidiary		-	-	-	-	-	-	-	-	(25)	(25)
<b>Balance as at 30 June 2022</b>		<b>7,970,162</b>	<b>110,700</b>	<b>430,032</b>	<b>(800,487)</b>	<b>672,080</b>	<b>23,331</b>	<b>19,021,978</b>	<b>27,427,796</b>	<b>28,626</b>	<b>27,456,422</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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	
<b>Balance as at 1 January 2021</b>	6,994,103	515	51,672	1,855,531	518,376	23,331	17,580,307	27,023,835	32,729	27,056,564
Net profit for the financial period	-	-	-	-	-	-	1,351,631	1,351,631	2,459	1,354,090
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	24	70,184	-	1,285	71,493	(2)	71,491
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain on disposal	-	-	-	(1,954)	-	-	1,954	-	-	-
- Unrealised net gain on revaluation	-	-	-	26,488	-	-	-	26,488	-	26,488
- Debt instruments										
- Unrealised net loss on revaluation	-	-	-	(963,191)	-	-	-	(963,191)	-	(963,191)
- Net transfer to income statements on disposal	-	-	-	(256,075)	-	-	-	(256,075)	-	(256,075)
- Changes in expected credit losses and exchange differences	-	-	-	10,465	-	-	-	10,465	-	10,465
Actuarial gain/(loss) on defined benefit plan of subsidiaries	-	-	-	-	-	-	1,899	1,899	(5)	1,894
Income tax relating to components of other comprehensive loss/(income)	-	-	-	292,619	-	-	(699)	291,920	(2)	291,918
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	-	(891,624)	70,184	-	4,439	(817,001)	(9)	(817,010)
Total comprehensive income/(loss) for the financial period	-	-	-	(891,624)	70,184	-	1,356,070	534,630	2,450	537,080
Dividends paid/payable	-	-	-	-	-	-	(37,939)	(37,939)	(3,975)	(41,914)
Transfer to statutory reserves	-	41,501	-	-	-	-	(41,501)	-	-	-
Transfer to regulatory reserves	-	-	8,546	-	-	-	(8,546)	-	-	-
<b>Balance as at 30 June 2021</b>	<b>6,994,103</b>	<b>42,016</b>	<b>60,218</b>	<b>963,907</b>	<b>588,560</b>	<b>23,331</b>	<b>18,848,391</b>	<b>27,520,526</b>	<b>31,204</b>	<b>27,551,730</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	← Non-Distributable →			Distributable		Total Equity RM'000
	Share Capital RM'000	Regulatory Reserves RM'000	FVOCI Reserves RM'000	Translation Reserves RM'000	Retained Profits RM'000	
<b>Bank</b>						
<b>Balance as at 1 January 2022</b>	7,612,612	227,289	429,544	353,068	13,726,275	22,348,788
Net profit for the financial period	-	-	-	-	1,369,789	1,369,789
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	35,071	-	35,071
Financial assets measured at FVOCI:						
- Equity instruments						
- Unrealised net loss on revaluation	-	-	(21,875)	-	-	(21,875)
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(1,397,629)	-	-	(1,397,629)
- Net transfer to income statements on disposal	-	-	(37,874)	-	-	(37,874)
- Changes in expected credit losses and exchange differences	-	-	9,207	-	-	9,207
Income tax relating to components of other comprehensive loss	-	-	344,521	-	-	344,521
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(1,103,650)	35,071	-	(1,068,579)
Total comprehensive income/(loss) for the financial period	-	-	(1,103,650)	35,071	1,369,789	301,210
Dividends paid	-	-	-	-	(1,035,730)	(1,035,730)
Shares issued pursuant to DRP	357,550					357,550
Transfer to regulatory reserves	-	53,594	-	-	(53,594)	-
<b>Balance as at 30 June 2022</b>	<b>7,970,162</b>	<b>280,883</b>	<b>(674,106)</b>	<b>388,139</b>	<b>14,006,740</b>	<b>21,971,818</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

Bank	Non-Distributable			Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2021</b>	6,994,103	-	1,578,045	349,672	12,870,705	21,792,525
Net profit for the financial period	-	-	-	-	1,029,404	1,029,404
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	12,614	-	12,614
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain on disposal	-	-	(4)	-	4	-
- Unrealised net gain on revaluation	-	-	24,973	-	-	24,973
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(792,722)	-	-	(792,722)
- Net transfer to income statements on disposal	-	-	(189,476)	-	-	(189,476)
- Changes in expected credit losses and exchange differences	-	-	10,801	-	-	10,801
Income tax relating to components of other comprehensive loss	-	-	235,728	-	-	235,728
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(710,700)	12,614	4	(698,082)
Total comprehensive income/(loss) for the financial period	-	-	(710,700)	12,614	1,029,408	331,322
Dividends payable	-	-	-	-	(37,939)	(37,939)
<b>Balance as at 30 June 2021</b>	<b>6,994,103</b>	<b>-</b>	<b>867,345</b>	<b>362,286</b>	<b>13,862,174</b>	<b>22,085,908</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

<b>Group</b>	<b>Six Months Ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	<b>1,909,352</b>	1,777,396
Adjustments for:		
Allowance for credit losses on loans, advances and financing	<b>367,649</b>	567,960
Allowance for credit losses on other financial assets	<b>1,782</b>	(4,083)
Property, plant and equipment:		
- Depreciation	<b>66,103</b>	57,814
- Gain on disposal	<b>(167)</b>	(4,844)
- Written off	<b>112</b>	433
- Impairment losses	<b>-</b>	193
Intangible assets:		
- Amortisation	<b>76,144</b>	60,167
Right-of-use assets:		
- Depreciation	<b>36,176</b>	34,700
- Gain on modification	<b>(5)</b>	-
- Impairment losses	<b>-</b>	121
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	<b>26,017</b>	6,690
Gain on disposal of subsidiaries	<b>(24,595)</b>	(752)
Net gain on financial instruments	<b>(17,141)</b>	(140,798)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	<b>(20,734)</b>	(33,792)
Net modification loss	<b>-</b>	37,271
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	<b>115,911</b>	121,791
Other non-cash items	<b>(874,851)</b>	(889,252)
Operating profit before working capital changes	<b>1,661,753</b>	1,591,015
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	<b>(101,714)</b>	-
Deposits and placements with banks and other financial institutions	<b>(572,447)</b>	1,530,640
Financial assets at FVTPL	<b>(1,811,571)</b>	1,504,433
Loans, advances and financing	<b>(6,081,982)</b>	(5,067,049)
Clients' and brokers' balances	<b>122,394</b>	269,853
Other assets	<b>(1,104,928)</b>	(1,067,978)
Statutory deposits	<b>121,381</b>	(30,979)
	<b>(9,428,867)</b>	(2,861,080)
Increase/(Decrease) in operating liabilities:		
Deposits from customers	<b>6,872,802</b>	11,667,865
Deposits and placements of banks and other financial institutions	<b>1,402,629</b>	(2,860,002)
Obligations on securities sold under repurchase agreements	<b>879,352</b>	1,086,871
Investment accounts	<b>574,185</b>	348,966
Bills and acceptances payable	<b>(4,759)</b>	114,375
Clients' and brokers' balances	<b>(115,378)</b>	(68,469)
Other liabilities	<b>66,711</b>	15,442
Recourse obligation on loans sold to Cagamas	<b>(178)</b>	(1,011,387)
	<b>9,675,364</b>	9,293,661

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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six Months Ended	
	30 June 2022	30 June 2021
Group	RM'000	RM'000
<b>Cash flows from operating activities (continued)</b>		
Cash generated from operations	1,908,250	8,023,596
Interest/Profit paid	(112,866)	(117,398)
Net tax and zakat paid	(212,152)	(273,560)
Net cash generated from operating activities	<u>1,583,232</u>	<u>7,632,638</u>
<b>Cash flows from investing activities</b>		
Net (purchase)/proceeds of financial assets at FVOCI and financial investments at amortised	(3,683,742)	119,182
Property, plant and equipment:		
- Purchase	(76,064)	(75,306)
- Proceeds from disposal	170	8,367
Intangible assets:		
- Purchase	(95,489)	(104,340)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest/Income received	779,792	811,096
- Investment income received	173,016	221,607
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	20,734	33,792
Net cash inflow from disposal of subsidiaries	26,652	494
Contingent consideration received arising from disposal of a subsidiary	-	219
Net cash (used in)/generated from investing activities	<u>(2,854,931)</u>	<u>1,015,111</u>
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of borrowings	2,129	(438,645)
Proceeds from issuance of senior debt securities	-	2,028,676
Proceeds from issuance of subordinated notes/sukuk	250,000	500,000
Redemption of subordinated sukuk	(250,000)	-
Dividends paid to equity holders of the Bank	(678,180)	(401,005)
Dividends paid to NCI	(5,300)	(3,975)
Principal lease payments	(40,009)	(39,979)
Net cash (used in)/generated from financing activities	<u>(721,360)</u>	<u>1,645,072</u>
Net (decrease)/increase in cash and cash equivalents	(1,993,059)	10,292,821
Effects of exchange rate differences	74,925	261,898
Cash and cash equivalents:		
- at the beginning of the financial period	19,831,323	8,904,285
- at the end of the financial period	<u>17,913,189</u>	<u>19,459,004</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>17,913,189</u>	<u>19,459,004</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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six Months Ended	
	30 June 2022	30 June 2021
	RM'000	RM'000
<b>Bank</b>		
<b>Cash flows from operating activities</b>		
Profit before taxation	1,848,480	1,331,267
Adjustments for:		
Allowance for credit losses on loans, advances and financing	47,700	191,500
Allowance for credit losses on other financial assets	2,472	2,405
Property, plant and equipment:		
- Depreciation	54,398	46,994
- Gain on disposal	(167)	(135)
- Written off	26	28
Intangible assets:		
- Amortisation	65,032	51,709
Right-of-use assets:		
- Depreciation	28,405	26,222
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	17,697	6,472
Net gain on financial instruments	(72,142)	(90,344)
Loss on liquidation of a subsidiary	6	-
Dividend income from financial assets at FVOCI	(2,760)	(3,202)
Dividend income from subsidiaries	(428,979)	(121,228)
Net modification loss	-	16,674
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	91,256	93,009
Other non-cash items	(643,874)	(597,266)
Operating profit before working capital changes	<u>1,007,550</u>	<u>954,105</u>
(Increase)/Decrease in operating assets:		
Securities purchased under resale agreements	(880,010)	-
Deposits and placements with banks and other financial institutions	138,322	739,877
Investment account due from designated financial institutions	1,335,268	54,101
Financial assets at FVTPL	(1,730,992)	1,130,728
Loans, advances and financing	(2,598,197)	(1,628,662)
Other assets	(1,433,381)	464,040
Statutory deposits	113,421	(147,904)
	<u>(5,055,569)</u>	<u>612,180</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	6,082,637	1,611,649
Deposits and placements of banks and other financial institutions	2,623,780	68,754
Obligations on securities sold under repurchase agreements	653,625	202,784
Bills and acceptances payable	(5,440)	111,126
Other liabilities	593,448	(1,170,952)
Recourse obligation on loans sold to Cagamas	(128)	-
	<u>9,947,922</u>	<u>823,361</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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six Months Ended	
	30 June 2022	30 June 2021
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities (continued)</b>		
Cash generated from operations	5,899,903	2,389,646
Interest paid	(89,978)	(88,550)
Net tax paid	(38,200)	(152,843)
Net cash generated from operating activities	<u>5,771,725</u>	<u>2,148,253</u>
<b>Cash flows from investing activities</b>		
Net (purchase)/proceeds of financial assets at FVOCI and financial investments at amortised	(3,876,607)	223,791
Property, plant and equipment:		
- Purchase	(56,046)	(55,976)
- Proceeds from disposal	169	135
Intangible assets:		
- Purchase	(88,105)	(91,767)
Interest received from financial assets at FVOCI and financial investments at amortised cost	771,788	786,913
Dividend income received from subsidiaries	430,179	121,228
Dividend income received from financial assets at FVOCI	2,760	3,202
Capital reduction in a subsidiary	-	267,773
Additional investments in subsidiary	(11,684)	-
Net cash (used in)/generated from investing activities	<u>(2,827,546)</u>	<u>1,255,299</u>
<b>Cash flows from financing activities</b>		
Net repayment of borrowings	-	(206,320)
Proceeds from issuance of senior debt securities	-	2,028,676
Proceeds from issuance of subordinated notes	-	500,000
Dividends paid to equity holders of the Bank	(678,180)	(401,005)
Principal lease payments	(29,589)	(26,147)
Net cash (used in)/generated from financing activities	<u>(707,769)</u>	<u>1,895,204</u>
Net increase in cash and cash equivalents	2,236,410	5,298,756
Effects of exchange rate differences	72,655	208,909
Cash and cash equivalents:		
- at the beginning of the financial period	10,409,623	7,905,636
- at the end of the financial period	<u>12,718,688</u>	<u>13,413,301</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>12,718,688</u>	<u>13,413,301</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 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A1. Basis Of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

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 2021, except for the adoption of the following during the current financial period:

(a) Accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Group and the Bank for financial period beginning on or after 1 January 2022:

- Amendment to MFRS 16 'COVID-19 - Related Rent Concessions' beyond 30 June 2021
- Amendments to MFRS 116 'Proceeds Before Intended Use'
- Amendments to MFRS 3 'Reference to the Conceptual Framework'
- Annual Improvements to MFRS 1 'Subsidiary as First-time Adopter'
- Annual Improvements to Illustrative Example accompanying MFRS 16 'Leases: Lease Incentives'
- Annual Improvements to MFRS 9 'Fees in the '10 Percent' Test for Derecognition of Financial Liabilities'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'

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

**A2. Auditors' Report**

The auditors' report for the financial year ended 31 December 2021 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 six months ended 30 June 2022.

**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 six months ended 30 June 2022.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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 six months ended 30 June 2022, other than as disclosed below:

(a) Share capital

The Bank has on 16 June 2022 increased its issued and paid up share capital from RM7,612,611,635 to RM7,970,161,835 via the issuance of 69,158,646 new ordinary shares at RM5.17 per share arising from the DRP relating to the single-tier final dividend of 25.0 sen per share in respect of the financial year ended 31 December 2021, of which the shareholders may elect to reinvest up to 10.0 sen per RHB Bank Share. The new ordinary shares issued during the financial period rank pari passu in all respects with the existing shares of the Bank.

(b) Subordinated obligations

- (i) RHB Islamic Bank Berhad ('RHB Islamic Bank'), a wholly-owned subsidiary of the Bank, had on 21 April 2022 issued Subordinated Sukuk Murabahah of RM250 million in nominal value under a RM5.0 billion programme. The Subordinated Sukuk Murabahah is issued for a tenure of 10 non-callable 5 years with a fixed profit rate of 4.06% per annum, payable semi-annually in arrears throughout the entire tenure; and
- (ii) RHB Islamic Bank, had on 27 April 2022 fully redeemed RM250 million in nominal value of Subordinated Sukuk Murabahah issued on 27 April 2017.

**A7. Dividends Paid**

- (a) A final single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2021, amounting to RM1,035,729,627 was approved by the shareholders at the Annual General Meeting held on 27 April 2022. This final dividend consists of cash portion of 15.0 sen per share and an electable portion of 10.0 sen per share 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 86.3% and the total cash dividend of RM678,179,427 was paid on 16 June 2022.
- (b) The Board of Directors have declared an interim single-tier dividend of 15.0 sen per share in respect of the financial year ending 31 December 2022, amounting to RM631,811,573, consisting of cash portion of 10.0 sen per share and an electable portion of 5.0 sen per share. The Board of Directors in its absolute discretion, recommends that the shareholders of the Bank be given an option to elect to reinvest the electable portion of the interim dividend into new ordinary shares of the Bank in accordance with the DRP.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A8. Interest Income**

Group	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,229,030	1,146,910	2,398,931	2,306,242
Money at call and deposits and placements with banks and other financial institutions	40,741	24,930	77,329	47,651
Securities purchased under resale agreements	290	-	328	-
Financial assets at FVTPL	21,331	10,903	30,978	28,791
Financial assets at FVOCI - debt instruments	264,304	282,457	522,278	568,583
Financial investments at amortised cost	127,286	94,623	232,010	189,948
Others	2,327	3,175	4,083	8,428
	<b>1,685,309</b>	<b>1,562,998</b>	<b>3,265,937</b>	<b>3,149,643</b>
Of which:				
Interest income accrued on impaired financial assets	<b>20,589</b>	23,320	<b>29,977</b>	47,992
<b>Bank</b>				
Loans and advances	1,176,091	1,058,257	2,225,594	2,131,311
Money at call and deposits and placements with banks and other financial institutions	69,594	35,936	135,384	78,564
Investment account due from designated financial institutions	71,872	66,701	147,364	133,020
Securities purchased under resale agreements	2,055	-	2,093	-
Financial assets at FVTPL	21,332	10,868	30,963	28,733
Financial assets at FVOCI - debt instruments	260,281	277,077	513,641	558,045
Financial investments at amortised cost	115,005	83,231	208,037	166,837
Others	1,391	392	1,902	838
	<b>1,717,621</b>	<b>1,532,462</b>	<b>3,264,978</b>	<b>3,097,348</b>
Of which:				
Interest income accrued on impaired financial assets	<b>19,730</b>	22,549	<b>28,307</b>	46,092



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A9. Interest Expense**

Group	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	63,097	38,145	115,440	87,095
Deposits from customers	509,379	446,376	972,651	923,173
Obligations on securities sold under repurchase agreements	9,334	4,036	14,838	6,261
Recourse obligation on loans sold to Cagamas	11,671	-	23,213	-
Subordinated obligations	24,161	22,804	48,056	42,189
Senior debt securities	23,952	27,161	46,976	54,015
Borrowings	585	1,845	1,382	5,384
Others	11,903	9,396	22,212	16,911
	<b>654,082</b>	<b>549,763</b>	<b>1,244,768</b>	<b>1,135,028</b>
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	74,236	47,397	130,335	104,584
Deposits from customers	472,268	413,918	905,836	859,796
Obligations on securities sold under repurchase agreements	20,724	17,100	38,500	30,738
Recourse obligation on loans sold to Cagamas	11,671	-	23,213	-
Subordinated obligations	21,718	20,361	43,196	37,330
Senior debt securities	23,952	27,161	46,976	54,015
Borrowings	-	-	-	485
Others	10,808	7,851	19,971	14,109
	<b>635,377</b>	<b>533,788</b>	<b>1,208,027</b>	<b>1,101,057</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A10. Other Operating Income**

Group	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
- Service charges and fees	40,572	38,612	76,271	73,744
- Commission	44,083	46,901	97,719	110,291
- Guarantee fees	8,808	7,589	16,552	14,498
- Commitment fees	9,995	10,664	20,054	21,277
- Brokerage income	45,598	94,122	104,794	233,929
- Fund management fees	60,768	74,045	123,579	144,315
- Unit trust fee income	7,334	39,381	18,782	114,020
- Corporate advisory fees	3,946	18,502	7,360	23,564
- Underwriting and arrangement fees	290	1,562	1,485	3,054
- Other fee income	18,503	20,657	37,390	41,969
	<b>239,897</b>	352,035	<b>503,986</b>	780,661
- Fee and commission expenses	(33,967)	(81,614)	(71,089)	(186,557)
	<b>205,930</b>	270,421	<b>432,897</b>	594,104
<b>Net (loss)/gain arising from financial assets at FVTPL</b>				
- Net loss on disposal	(31,158)	(41,276)	(53,654)	(49,062)
- Unrealised net (loss)/gain on revaluation	(30,736)	70,163	(60,535)	(31,530)
- Dividend income	8,477	14,455	17,740	30,321
	<b>(53,417)</b>	43,342	<b>(96,449)</b>	(50,271)
<b>Net gain/(loss) on revaluation of derivatives</b>	53,763	(27,853)	108,361	(45,170)
<b>Net (loss)/gain on fair value hedges</b>	(1,163)	134	(958)	415
<b>Net gain arising from derecognition of financial investments at amortised cost</b>	-	-	206	14,924
<b>Net gain arising from financial assets at FVOCI</b>				
- Net gain on debt instruments on disposal	4,691	86,314	38,151	189,611
- Dividend income	1,994	3,471	2,994	3,471
	<b>6,685</b>	89,785	<b>41,145</b>	193,082
<b>Other income</b>				
Net foreign exchange gain	31,725	51,915	61,883	81,302
Insurance underwriting surplus before management expenses	54,164	64,254	120,367	119,753
Gain on disposal of property, plant and equipment	162	55	167	4,876
Gain on disposal of subsidiaries	-	-	24,595	752
Gain on modification of right-of-use assets	4	-	4	-
Rental income	58	484	117	1,059
Other operating income	7,451	6,836	15,559	12,338
Other non-operating income	7,859	1,411	9,889	10,286
	<b>101,423</b>	124,955	<b>232,581</b>	230,366
	<b>313,221</b>	500,784	<b>717,783</b>	937,450



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Bank	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
- Service charges and fees	34,619	33,799	68,469	65,947
- Commission	47,872	55,188	107,703	137,429
- Guarantee fees	8,766	7,556	16,470	14,446
- Commitment fees	9,812	10,288	19,488	20,563
- Corporate advisory fees	394	3,282	619	3,282
- Underwriting and arrangement fees	-	-	250	-
- Other fee income	5,002	4,811	10,116	9,980
	<b>106,465</b>	<b>114,924</b>	<b>223,115</b>	<b>251,647</b>
<b>Net (loss)/gain arising from financial assets at FVTPL</b>				
- Net loss on disposal	(21,555)	(47,870)	(33,015)	(88,449)
- Unrealised net (loss)/gain on revaluation	(13,193)	60,201	(23,531)	(8,974)
	<b>(34,748)</b>	<b>12,331</b>	<b>(56,546)</b>	<b>(97,423)</b>
<b>Net gain/(loss) on revaluation of derivatives</b>	<b>42,806</b>	<b>(22,294)</b>	<b>91,566</b>	<b>(17,048)</b>
<b>Net (loss)/gain on fair values hedges</b>	<b>(1,163)</b>	<b>134</b>	<b>(958)</b>	<b>415</b>
<b>Net gain arising from derecognition of financial investments at amortised cost</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>14,924</b>
<b>Net gain arising from financial assets at FVOCI</b>				
- Net gain on debt instruments on disposal	4,486	86,231	37,874	189,476
- Dividend income	1,760	3,202	2,760	3,202
	<b>6,246</b>	<b>89,433</b>	<b>40,634</b>	<b>192,678</b>
<b>Dividend income from subsidiaries</b>	<b>94,700</b>	<b>71,025</b>	<b>428,979</b>	<b>121,228</b>
<b>Other income</b>				
Net foreign exchange gain	51,607	41,859	62,231	91,187
Gain on disposal of property, plant and equipment	158	8	167	135
Rental income	2,829	2,821	5,651	5,727
Other operating income	6,594	6,211	13,871	11,078
Other non-operating income	8,467	2,195	10,336	8,691
	<b>69,655</b>	<b>53,094</b>	<b>92,256</b>	<b>116,818</b>
	<b>283,961</b>	<b>318,647</b>	<b>819,252</b>	<b>583,239</b>

**A11. 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. The net modification loss is unwound through the income statements over the remaining tenure of the loan/financing and funding.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A12. Other Operating Expenses**

Group	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	437,639	429,363	868,744	883,202
- Defined contribution plan	64,238	61,129	123,890	122,321
- Other staff related costs	37,357	38,237	80,085	75,535
	<u>539,234</u>	<u>528,729</u>	<u>1,072,719</u>	<u>1,081,058</u>
<b>Establishment costs</b>				
- Property, plant and equipment:				
- Depreciation	33,382	28,719	66,103	57,814
- Written off	22	34	112	433
- Intangible assets:				
- Amortisation	38,682	30,660	76,144	60,167
- Right-of-use assets:				
- Depreciation	18,104	17,705	36,176	34,700
- Rental of premises	6,293	5,982	12,511	12,662
- Rental of equipment	2,690	2,782	4,877	5,161
- Insurance	9,958	4,906	19,568	9,915
- Water and electricity	6,388	6,077	12,183	11,529
- Repair and maintenance	9,277	8,618	17,048	14,887
- Security and escorting expenses	11,312	10,882	21,687	22,570
- Information technology expenses	67,837	69,021	135,382	137,739
- Others	1,662	3,414	3,543	8,754
	<u>205,607</u>	<u>188,800</u>	<u>405,334</u>	<u>376,331</u>
<b>Marketing expenses</b>				
- Sales commission	23,091	30,157	44,732	62,880
- Advertisement and publicity	11,547	6,978	19,492	21,673
- Others	19,902	16,388	39,020	34,809
	<u>54,540</u>	<u>53,523</u>	<u>103,244</u>	<u>119,362</u>
<b>Administration and general expenses</b>				
- Communication expenses	36,133	34,484	71,250	73,405
- Legal and professional fees	17,234	14,043	26,183	22,124
- Others	35,803	44,929	68,897	77,292
	<u>89,170</u>	<u>93,456</u>	<u>166,330</u>	<u>172,821</u>
	<u><b>888,551</b></u>	<u>864,508</u>	<u><b>1,747,627</b></u>	<u>1,749,572</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Bank	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	344,782	325,609	686,273	654,651
- Defined contribution plan	53,710	50,783	103,250	101,333
- Other staff related costs	27,046	29,755	57,620	55,560
	<b>425,538</b>	406,147	<b>847,143</b>	811,544
<b>Establishment costs</b>				
- Property, plant and equipment:				
- Depreciation	27,480	23,505	54,398	46,994
- Written off	7	28	26	28
- Intangible assets:				
- Amortisation	33,043	26,295	65,032	51,709
- Right-of-use assets:				
- Depreciation	14,154	13,276	28,405	26,222
- Rental of premises	5,417	4,908	10,718	9,824
- Rental of equipment	2,675	2,766	4,849	5,130
- Insurance	9,682	6,193	19,585	12,365
- Water and electricity	4,490	4,221	8,605	8,132
- Repair and maintenance	7,415	7,047	13,552	11,883
- Security and escorting expenses	12,317	11,409	23,683	23,610
- Information technology expenses	52,153	50,990	103,519	101,164
	<b>168,833</b>	150,638	<b>332,372</b>	297,061
<b>Marketing expenses</b>				
- Sales commission	14,189	26,332	30,183	54,881
- Advertisement and publicity	8,894	5,305	13,729	17,961
- Others	13,445	9,332	25,910	19,228
	<b>36,528</b>	40,969	<b>69,822</b>	92,070
<b>Administration and general expenses</b>				
- Communication expenses	26,813	24,356	52,435	53,745
- Legal and professional fees	18,029	24,689	26,936	46,297
- Others	28,605	23,703	50,862	50,705
	<b>73,447</b>	72,748	<b>130,233</b>	150,747
<b>Operating expenses allocated to subsidiaries</b>	<b>(121,603)</b>	(81,099)	<b>(235,990)</b>	(161,211)
	<b>582,743</b>	589,403	<b>1,143,580</b>	1,190,211



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

Group	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	98,558	252,937	306,003	489,936
- Bad debts recovered	(112,831)	(79,630)	(203,037)	(169,408)
- Bad debts written off	32,899	45,448	61,646	78,024
	18,626	218,755	164,612	398,552
Financial assets at FVOCI	12,826	10,429	12,249	10,205
Financial investments at amortised cost	11,511	(4,283)	13,768	(3,515)
Other financial assets	(4,367)	2,358	1,782	(4,083)
	38,596	227,259	192,411	401,159

**Bank**

Charge/(Writeback)

Loans, advances and financing:				
- Net charge/(writeback)	(74,643)	3,564	3,591	123,233
- Bad debts recovered	(100,010)	(72,998)	(180,871)	(156,171)
- Bad debts written off	26,416	40,305	44,109	68,267
	(148,237)	(29,129)	(133,171)	35,329
Financial assets at FVOCI	8,610	10,734	8,817	10,541
Financial investments at amortised cost	7,575	(4,201)	8,880	(4,069)
Other financial assets	(726)	2,134	2,472	2,405
	(132,778)	(20,462)	(113,002)	44,206

**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.

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

	Bank	
	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,500,000	1,500,000
Other term financing	5,940,434	7,064,457
Short-term funds	247,000	490,000
Unquoted securities	1,009,106	1,009,105
	8,696,540	10,063,562



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>Mandatory measured at fair value</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	<b>763,410</b>	204,324	<b>763,410</b>	204,324
Malaysian Government Investment Issues	<b>1,490,006</b>	426,309	<b>1,351,556</b>	374,216
<b><u>Quoted securities:</u></b>				
<b>In Malaysia</b>				
Shares, exchange traded funds and warrants	<b>61,028</b>	74,375	-	-
Unit trusts	<b>35,246</b>	37,850	-	-
Corporate bond/sukuk	<b>2,284</b>	2,351	<b>2,284</b>	2,351
<b>Outside Malaysia</b>				
Shares, exchange traded funds and warrants	<b>70,223</b>	94,946	-	-
Unit trusts	<b>24,051</b>	24,386	-	-
<b><u>Unquoted securities:</u></b>				
<b>In Malaysia</b>				
Corporate bond/sukuk	<b>227,795</b>	83,095	<b>227,793</b>	79,677
Unit trusts	<b>965,415</b>	1,024,098	-	-
Commercial paper	-	64,766	-	64,766
<b>Outside Malaysia</b>				
Corporate bond/sukuk	<b>203,742</b>	115,076	<b>203,742</b>	115,076
Private equity funds	<b>672,361</b>	626,663	-	-
	<b>4,515,561</b>	<b>2,778,239</b>	<b>2,548,785</b>	<b>840,410</b>





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>At fair value</b>				
(a) Debt instruments	<b>38,891,871</b>	40,380,841	<b>33,343,029</b>	34,234,752
(b) Equity instruments	<b>740,053</b>	760,032	<b>698,874</b>	720,749
	<b>39,631,924</b>	41,140,873	<b>34,041,903</b>	34,955,501
<b>(a) Debt instruments</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	<b>3,164,283</b>	2,764,067	<b>3,034,700</b>	2,631,159
Malaysian Government Investment Issues	<b>8,087,784</b>	7,813,683	<b>6,153,560</b>	6,212,432
Khazanah bonds	<b>114,133</b>	119,450	<b>64,341</b>	70,082
Negotiable instruments of deposits	<b>3,249,026</b>	1,699,602	<b>3,249,026</b>	1,401,075
Other foreign government investment issues	<b>90,518</b>	97,221	<b>90,518</b>	97,221
Sukuk Perumahan Kerajaan	<b>70,913</b>	71,888	-	-
Singapore Government Securities	<b>964,518</b>	985,101	<b>964,518</b>	985,101
Thailand Government Securities	<b>640,777</b>	629,542	<b>640,777</b>	629,542
Singapore Government Treasury Bills	<b>1,104,567</b>	2,126,537	<b>1,104,567</b>	2,126,537
Thailand Central Bank Bonds	-	25,151	-	25,151
Singapore Housing Development Board	<b>676,567</b>	689,032	<b>676,567</b>	689,032
<b><u>Unquoted securities:</u></b>				
<b>In Malaysia</b>				
Corporate bond/sukuk	<b>15,253,020</b>	18,265,619	<b>11,888,690</b>	14,273,472
Perpetual notes/sukuk	<b>51,096</b>	51,111	<b>51,096</b>	51,111
<b>Outside Malaysia</b>				
Corporate bond/sukuk	<b>5,424,669</b>	5,042,837	<b>5,424,669</b>	5,042,837
	<b>38,891,871</b>	40,380,841	<b>33,343,029</b>	34,234,752
<b>(b) Equity instruments</b>				
<b><u>Quoted securities:</u></b>				
<b>In Malaysia</b>				
Shares	<b>63</b>	-	-	-
<b>Outside Malaysia</b>				
Shares	<b>2,200</b>	2,218	-	-
<b><u>Unquoted securities:</u></b>				
<b>In Malaysia</b>				
Shares	<b>737,389</b>	757,418	<b>698,872</b>	720,748
<b>Outside Malaysia</b>				
Shares	<b>401</b>	396	<b>2</b>	1
	<b>740,053</b>	760,032	<b>698,874</b>	720,749

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 RM1,339,000,000 (31 December 2021: RM1,552,000,000) and RM1,339,000,000 (31 December 2021: RM1,921,000,000) respectively.



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

	Group and Bank	
	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000
Balance as at the beginning of the financial period/year	1,020	1,020
Balance as at the end of the financial period/year	<u>1,020</u>	<u>1,020</u>

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

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	36,896	77	-	36,973
Transfer to lifetime ECL not credit impaired (Stage 2)	(62)	62	-	-
Changes in credit risk	3,809	2,876	-	6,685
Purchases and origination	10,110	-	-	10,110
Derecognition and disposal	(4,538)	(8)	-	(4,546)
Exchange differences	390	-	-	390
Balance as at the end of the financial period	<u>46,605</u>	<u>3,007</u>	<u>-</u>	<u>49,612</u>
<b>31 December 2021</b>				
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>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

<b>Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	34,554	77	-	34,631
Transfer to lifetime ECL not credit impaired (Stage 2)	(62)	62	-	-
Changes in credit risk	1,174	2,876	-	4,050
Purchases and origination	8,683	-	-	8,683
Derecognition and disposal	(3,908)	(8)	-	(3,916)
Exchange differences	390	-	-	390
Balance as at the end of the financial period	<u>40,831</u>	<u>3,007</u>	<u>-</u>	<u>43,838</u>
<b>31 December 2021</b>				
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>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A17. Financial Investments at Amortised Cost**

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	3,009,586	700,667	2,594,435	607,910
Malaysian Government Investment Issues	2,980,789	2,739,575	2,058,167	2,069,843
Cagamas bonds	857,874	622,800	787,417	607,715
Khazanah bonds	160,605	158,182	21,032	20,694
Negotiable instruments of deposits	-	500,595	-	-
Sukuk Perumahan Kerajaan	110,948	110,981	100,894	100,934
Singapore Government Treasury Bills	1,510,614	648,047	1,510,614	648,047
Singapore Government Securities	122,500	-	122,500	-
Thailand Central Bank bills	189,790	-	189,790	-
Thailand Government bonds	17,371	-	17,371	-
Sukuk (Brunei) Incorporation	31,591	30,872	31,591	30,872
Brunei Central Bank Bills	15,834	15,439	15,834	15,439
<b><u>Unquoted securities:</u></b>				
<b>In Malaysia</b>				
Corporate bond/sukuk	13,197,168	13,008,637	7,667,972	7,427,355
Corporate loan stocks	23,835	23,835	-	-
<b>Outside Malaysia</b>				
Corporate bond/sukuk	55,359	-	24,924	-
	<b>22,283,864</b>	18,559,630	<b>15,142,541</b>	11,528,809
Allowance for credit losses	(612,386)	(598,119)	(528,855)	(519,519)
	<b>21,671,478</b>	17,961,511	<b>14,613,686</b>	11,009,290

- (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 RM1,324,000,000 (31 December 2021: RM384,000,000) and RM3,845,000,000 (31 December 2021: RM2,750,000,000) 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. 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 30 June 2022, gross exposure to RIA financing funded by investors at the Group is RM361,876,000 (31 December 2021: RM357,870,000). The portfolio expected credit losses for financial investments at amortised cost relating to RIA is borne solely by the investors.



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial period/year	1,236,638	140,252	59,832	62,805
Transfer to lifetime ECL credit impaired (Stage 3)	-	608,076	-	-
Purchases and origination	42,329	496,948	-	-
Derecognition	(4,078)	(8,925)	-	(3,260)
Exchange differences	455	287	455	287
Balance as at the end of the financial period/year	<u>1,275,344</u>	<u>1,236,638</u>	<u>60,287</u>	<u>59,832</u>

The credit impaired financial investments at amortised cost relate to certain exposures to RIA, of which exposure with other investors amounted to RM361,876,000 (31 December 2021: RM357,870,000).

**(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
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	18,599	1,778	577,742	598,119
Changes in credit risk	8,183	34	-	8,217
Purchases and origination	3,175	3,211	-	6,386
Derecognition	(835)	-	-	(835)
Exchange differences	43	-	456	499
Balance as at the end of the financial period	<u>29,165</u>	<u>5,023</u>	<u>578,198</u>	<u>612,386</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	11,871	220,148	139,690	371,709
Transfer to 12-month ECL (Stage 1)	123	(123)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(238)	238	-	-
Transfer 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>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

<b>Bank</b>	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	13,560	-	505,959	519,519
Changes in credit risk	5,626	-	-	5,626
Purchases and origination	757	2,959	-	3,716
Derecognition	(462)	-	-	(462)
Exchange differences	-	-	456	456
Balance as at the end of the financial period	<u>19,481</u>	<u>2,959</u>	<u>506,415</u>	<u>528,855</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	6,674	220,013	62,242	288,929
Transfer 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>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A18. Loans, Advances and Financing**

**(a) By type**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>At amortised cost</b>				
Overdrafts	5,616,499	5,532,681	4,150,564	4,132,651
Term loans/financing				
- Housing loans/financing	74,550,516	71,111,818	47,240,927	46,003,666
- Syndicated term loans/financing	13,359,529	11,045,645	7,034,208	6,556,269
- Hire purchase receivables/financing	9,954,259	9,822,724	516,888	659,328
- Other term loans/financing	76,529,798	78,045,017	42,925,950	42,722,512
Bills receivables	4,781,765	5,466,845	4,507,295	5,084,332
Trust receipts	785,153	653,169	744,721	612,561
Claims on customers under acceptance credits	5,145,308	4,159,728	3,791,750	3,142,641
Share margin financing	1,891,178	2,002,139	289,225	308,609
Staff loans/financing	92,621	98,006	78,695	84,543
Credit/charge card receivables	1,953,287	1,936,629	1,675,929	1,665,110
Revolving credits/financing	10,265,805	8,637,366	7,493,528	6,426,835
Gross loans, advances and financing	204,925,718	198,511,767	120,449,680	117,399,057
Fair value changes arising from fair value hedges	(129,763)	(5,036)	(24,215)	(3,248)
	204,795,955	198,506,731	120,425,465	117,395,809
Less: Allowance for credit losses	(3,889,966)	(3,610,117)	(2,313,920)	(2,350,706)
Net loans, advances and financing	200,905,989	194,896,614	118,111,545	115,045,103

(i) Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM2,179,425,000 (31 December 2021: RM2,225,525,000) and RM1,448,355,000 (31 December 2021: RM1,484,141,000) 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 30 June 2022, gross exposure to URIA financing funded by investors at the Group is RM770,630,000 (31 December 2021: RM220,670,000). The portfolio expected credit losses for financing and advances relating to URIA is borne solely by the investors.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

**(b) By type of customer**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Domestic non-bank financial institutions	3,222,691	3,430,530	966,695	666,638
Domestic business enterprises:				
- Small medium enterprises	30,740,293	29,383,897	22,837,953	22,250,233
- Others	31,216,565	32,293,478	15,618,434	16,367,652
Government and statutory bodies	6,253,556	6,283,148	7,788	31,290
Individuals	102,266,322	99,273,422	55,741,889	55,295,411
Other domestic entities	161,013	160,349	28,038	29,323
Foreign entities	31,065,278	27,686,943	25,248,883	22,758,510
	<b>204,925,718</b>	<b>198,511,767</b>	<b>120,449,680</b>	<b>117,399,057</b>

**(c) By geographical distribution**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Malaysia	175,656,874	172,332,475	96,987,999	96,258,254
Labuan Offshore	2,381,830	1,746,020	-	-
Singapore	21,697,490	19,445,961	21,697,490	19,445,961
Thailand	1,827,092	1,721,007	1,579,953	1,510,805
Brunei	184,238	184,037	184,238	184,037
Cambodia	2,998,041	2,829,014	-	-
Lao	87,985	119,169	-	-
Indonesia	88,551	131,127	-	-
Vietnam	3,617	2,957	-	-
	<b>204,925,718</b>	<b>198,511,767</b>	<b>120,449,680</b>	<b>117,399,057</b>





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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	144,369	135,102	106,813	99,571
- Hire purchase receivables/financing	1,361,542	1,766,382	516,888	659,306
- Other fixed rate loans/financing	22,514,936	22,688,406	10,840,936	10,741,916
Variable rate				
- Base lending/financing rate plus	118,313,121	114,224,412	70,578,069	70,246,144
- Cost-plus	47,204,135	47,374,156	25,080,631	24,772,398
- Other variable rates	15,387,615	12,323,309	13,326,343	10,879,722
	<b>204,925,718</b>	<b>198,511,767</b>	<b>120,449,680</b>	<b>117,399,057</b>

**(e) By economic sector**

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,544,232	4,610,387	2,719,329	3,033,089
Mining and quarrying	243,751	264,975	153,900	174,710
Manufacturing	11,736,612	10,937,418	8,197,695	8,118,520
Electricity, gas and water	1,475,958	1,364,316	500,611	620,024
Construction	13,285,423	13,550,490	8,098,393	8,002,112
Wholesale and retail trade and restaurant and hotel	21,002,846	19,795,696	16,365,380	15,843,095
Transport, storage and communication	7,663,424	8,335,675	1,846,541	1,666,529
Finance, insurance, real estate and business services	24,450,711	23,400,844	17,792,217	16,772,102
Government and government agencies	3,238,590	3,268,051	7,788	31,290
Education, health and others	6,756,620	6,185,353	2,602,923	2,103,605
Household sector	109,576,063	105,954,813	61,602,389	60,581,296
Others	951,488	843,749	562,514	452,685
	<b>204,925,718</b>	<b>198,511,767</b>	<b>120,449,680</b>	<b>117,399,057</b>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

**(f) By purpose**

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	11,985,038	12,233,918	4,547,443	4,948,181
Purchase of transport vehicles	9,768,628	9,576,193	289,952	381,053
Purchase of landed property:				
- Residential	73,490,675	70,018,468	47,058,533	45,760,232
- Non-residential	20,691,961	19,610,259	14,497,307	13,527,848
Purchase of property, plant and equipment other than land and building	2,216,868	2,279,642	1,458,530	1,485,510
Personal use	12,098,127	11,680,382	7,146,638	6,805,381
Credit card	1,953,287	1,936,629	1,675,929	1,665,110
Purchase of consumer durables	8,056	9,085	8,056	9,085
Construction	7,078,283	7,208,836	5,758,192	5,903,401
Working capital	49,695,549	46,478,307	29,528,913	28,036,825
Merger and acquisition	1,537,699	2,662,058	38,946	46,214
Other purposes	14,401,547	14,817,990	8,441,241	8,830,217
	<b>204,925,718</b>	<b>198,511,767</b>	<b>120,449,680</b>	<b>117,399,057</b>

**(g) By remaining contractual maturities**

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	37,633,262	36,484,052	27,883,816	27,087,299
One year to three years	10,515,671	11,839,045	4,767,147	5,089,861
Three years to five years	18,079,235	17,100,913	10,227,670	9,831,533
Over five years	138,697,550	133,087,757	77,571,047	75,390,364
	<b>204,925,718</b>	<b>198,511,767</b>	<b>120,449,680</b>	<b>117,399,057</b>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

A18. Loans, Advances and Financing (continued)

(h) Impaired loans, advances and financing

(i) Movement in impaired loans, advances  
and financing

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial period/year	2,950,507	3,181,282	1,744,632	2,354,397
Transfer to 12-month ECL (Stage 1)	(35,008)	(76,826)	(28,523)	(59,146)
Transfer to lifetime ECL not credit impaired (Stage 2)	(99,653)	(413,319)	(72,397)	(359,552)
Transfer to lifetime ECL credit impaired (Stage 3)	739,328	1,362,455	467,878	505,604
Purchases and origination	190,547	350,971	138,783	301,989
Derecognition	(355,252)	(338,536)	(220,739)	(250,908)
Modification of contractual cash flow	-	(362)	-	(350)
Amount written off	(150,294)	(1,192,245)	(110,740)	(795,112)
Exchange differences	57,181	20,654	9,222	7,785
Other movements	28,311	56,433	10,189	39,925
Balance as at the end of the financial period/year	<b>3,325,667</b>	<b>2,950,507</b>	<b>1,938,305</b>	<b>1,744,632</b>

(ii) By economic sector

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Agriculture, hunting, forestry and fishing	12,948	11,396	6,915	4,919
Mining and quarrying	22,088	2,876	17,380	2,876
Manufacturing	249,179	228,378	198,620	178,040
Electricity, gas and water	9,241	12,606	52	495
Construction	401,522	343,966	310,225	295,349
Wholesale and retail trade and restaurant and hotel	390,559	287,307	261,639	192,431
Transport, storage and communication	305,953	275,606	289,067	260,172
Finance, insurance, real estate and business services	311,117	276,180	266,398	242,405
Education, health and others	741,350	684,197	8,828	5,266
Household sector	845,383	794,530	576,826	560,901
Others	36,327	33,465	2,355	1,778
	<b>3,325,667</b>	<b>2,950,507</b>	<b>1,938,305</b>	<b>1,744,632</b>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

**(iii) By purpose**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Purchase of securities	30,251	29,901	17,561	18,272
Purchase of transport vehicles	41,420	46,803	10,449	12,520
Purchase of landed property:				
- Residential	612,887	593,169	415,575	422,881
- Non-residential	471,289	385,600	314,892	291,286
Purchase of property, plant and equipment other than land and building	20,961	22,488	17,655	19,254
Personal use	135,463	92,969	112,775	81,577
Credit card	23,537	20,045	20,823	17,844
Purchase of consumer durables	479	588	479	588
Construction	64,034	61,395	63,876	61,021
Working capital	1,771,389	1,535,097	884,906	728,830
Other purposes	153,957	162,452	79,314	90,559
	<b>3,325,667</b>	<b>2,950,507</b>	<b>1,938,305</b>	<b>1,744,632</b>

**(iv) By geographical distribution**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Malaysia	1,870,774	1,669,228	1,432,960	1,283,736
Labuan Offshore	731,665	678,850	-	-
Singapore	415,274	372,719	415,274	372,719
Thailand	95,311	94,355	84,096	83,371
Brunei	5,975	4,806	5,975	4,806
Cambodia	204,250	127,567	-	-
Lao	2,418	2,982	-	-
	<b>3,325,667</b>	<b>2,950,507</b>	<b>1,938,305</b>	<b>1,744,632</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

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

<b>Group</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	<b>1,015,663</b>	<b>1,186,991</b>	<b>1,407,463</b>	<b>3,610,117</b>
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	<b>126,468</b>	<b>(116,502)</b>	<b>(9,966)</b>	<b>-</b>
- Transferred to lifetime ECL not credit impaired (Stage 2)	<b>(29,748)</b>	<b>57,719</b>	<b>(27,971)</b>	<b>-</b>
- Transferred to lifetime ECL credit impaired (Stage 3)	<b>(5,464)</b>	<b>(31,980)</b>	<b>37,444</b>	<b>-</b>
	<b>91,256</b>	<b>(90,763)</b>	<b>(493)</b>	<b>-</b>
Changes in credit risk	<b>(8,209)</b>	<b>(60,850)</b>	<b>352,325</b>	<b>283,266</b>
Purchases and origination	<b>68,644</b>	<b>65,482</b>	<b>2,500</b>	<b>136,626</b>
Changes to model methodologies	<b>(103)</b>	<b>(9,374)</b>	<b>(1,304)</b>	<b>(10,781)</b>
Derecognition	<b>(34,522)</b>	<b>(30,531)</b>	<b>(38,055)</b>	<b>(103,108)</b>
Bad debts written off	<b>-</b>	<b>-</b>	<b>(84,077)</b>	<b>(84,077)</b>
Exchange differences	<b>433</b>	<b>395</b>	<b>28,784</b>	<b>29,612</b>
Other movements	<b>-</b>	<b>-</b>	<b>28,311</b>	<b>28,311</b>
Balance as at the end of the financial period	<b>1,133,162</b>	<b>1,061,350</b>	<b>1,695,454</b>	<b>3,889,966</b>
<b>31 December 2021</b>				
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
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)
Bad debts written off	-	-	(973,008)	(973,008)
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



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

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

<b>Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	708,275	848,909	793,522	2,350,706
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	89,373	(82,029)	(7,344)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(22,459)	41,177	(18,718)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(4,637)	(25,553)	30,190	-
	<b>62,277</b>	<b>(66,405)</b>	<b>4,128</b>	<b>-</b>
Changes in credit risk	(9,304)	(164,755)	146,584	(27,475)
Purchases and origination	49,366	63,197	2,382	114,945
Changes to model methodologies	29	(8,038)	(1,160)	(9,169)
Derecognition	(22,033)	(26,211)	(26,466)	(74,710)
Bad debts written off	-	-	(61,744)	(61,744)
Exchange differences	4,952	1,179	5,047	11,178
Other movements	-	-	10,189	10,189
Balance as at the end of the financial period	<b>793,562</b>	<b>647,876</b>	<b>872,482</b>	<b>2,313,920</b>
<b>31 December 2021</b>				
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	-
	<b>159,839</b>	<b>(141,705)</b>	<b>(18,134)</b>	<b>-</b>
Changes in credit risk	(131,942)	133,483	416,384	417,925
Purchases and origination	90,684	22,994	17,851	131,529
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)
Bad debts written off	-	-	(687,210)	(687,210)
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	<b>708,275</b>	<b>848,909</b>	<b>793,522</b>	<b>2,350,706</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A19. Other Assets**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables	<b>840,394</b>	889,136	<b>317,027</b>	277,203
Cash collateral in relation to derivative transactions	<b>600,553</b>	417,368	<b>600,553</b>	417,368
Deposits	<b>44,138</b>	45,191	<b>33,106</b>	34,910
Prepayments	<b>190,077</b>	168,715	<b>120,373</b>	112,499
Amount receivable for release of units from funds	<b>48,272</b>	207,850	-	-
Amount due from subsidiaries	-	-	<b>1,309,759</b>	1,000,729
	<b>1,723,434</b>	1,728,260	<b>2,380,818</b>	1,842,709



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A20. Deposits from Customers**

**(a) By type of deposits**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Demand deposits	51,314,522	50,781,048	42,310,276	40,926,635
Savings deposits	14,967,990	14,824,462	12,047,409	12,042,346
Fixed/investment deposits	159,357,605	152,875,804	89,605,175	84,332,324
Negotiable instruments of deposits	301,911	251,271	301,911	251,271
	<b>225,942,028</b>	<b>218,732,585</b>	<b>144,264,771</b>	<b>137,552,576</b>

**(b) By type of customer**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Government and statutory bodies	19,477,657	18,660,846	5,911,815	5,283,361
Business enterprises	119,402,069	114,383,371	79,527,408	75,741,317
Individuals	79,393,954	78,274,077	52,095,022	50,124,540
Others	7,668,348	7,414,291	6,730,526	6,403,358
	<b>225,942,028</b>	<b>218,732,585</b>	<b>144,264,771</b>	<b>137,552,576</b>

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

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Due within six months	128,539,805	116,302,584	73,220,534	61,461,628
Six months to one year	28,159,290	34,741,291	15,305,145	22,171,387
One year to three years	1,773,534	1,795,252	1,072,036	685,359
Three years to five years	1,186,887	287,948	309,371	265,221
	<b>159,659,516</b>	<b>153,127,075</b>	<b>89,907,086</b>	<b>84,583,595</b>





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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

	Note	Group		Bank	
		As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
		RM'000	RM'000	RM'000	RM'000
Licensed banks		19,185,658	16,694,604	22,509,644	20,636,398
Licensed Islamic banks		449,526	1,296,903	7,399	1,773
Licensed investment banks		150,388	651,864	1,077,903	607,550
BNM/Other central banks	(a)	4,737,617	4,178,053	4,571,741	4,026,170
Other financial institutions		335,239	585,403	196,811	397,708
		<b>24,858,428</b>	<b>23,406,827</b>	<b>28,363,498</b>	<b>25,669,599</b>

(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 30 June 2022	As at 31 December 2021
		RM'000	RM'000
Mudharabah Restricted Investment Account	(a)	379,602	360,520
Wakalah Unrestricted Investment Account	(b)	775,874	220,771
		<b>1,155,476</b>	<b>581,291</b>

**(a) Mudharabah Restricted Investment Account**

By type of counterparty:

- Licensed banks	<b>379,602</b>	360,520
------------------	----------------	---------

Investment asset (principal):

- Unquoted securities	<b>361,876</b>	357,870
-----------------------	----------------	---------

**(b) Wakalah Unrestricted Investment Account**

By type of counterparty:

- Business enterprises	<b>775,874</b>	220,771
------------------------	----------------	---------

Investment asset (principal):

- Personal financing	<b>616,504</b>	176,536
- Housing financing	<b>154,126</b>	44,134
	<b>770,630</b>	220,670



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A23. Other Liabilities**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Other creditors and accruals	1,296,526	1,308,668	902,539	853,092
Amount payable for redemption units	191,477	348,404	-	-
Contract liabilities	173,433	205,971	52,500	63,000
Short term employee benefits	252,450	455,763	208,776	361,228
Accrual for operational expenses	242,738	265,925	184,089	197,033
Prepaid instalments	19,907	22,406	19,907	22,406
Cash collateral pledged for derivative transactions	320,654	112,719	320,654	112,719
Structured deposits	1,046,685	771,311	1,006,583	771,311
Remisiers' trust deposits	96,582	97,828	-	-
Amount due to trust funds	19,561	457,587	-	-
Amount due to subsidiaries	-	-	3,931	6,584
	<b>3,660,013</b>	<b>4,046,582</b>	<b>2,698,979</b>	<b>2,387,373</b>



**RHB BANK BERHAD**

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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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.

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. This segment leverages on the Group's regional platforms to provide cross-border transactional services to clients across ASEAN.

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



**RHB BANK BERHAD**

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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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)

- (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.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

A24. Segmental Reporting (continued)

Six months ended 30 June 2022

	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	1,948,846	1,441,502	371,335	79,469	8,238	-	3,849,390
Inter-segment revenue	-	6,966	708	9,255	9,314	(26,243)	-
Segment revenue	1,948,846	1,448,468	372,043	88,724	17,552	(26,243)	3,849,390
Other operating expenses	(978,960)	(476,384)	(249,565)	(61,276)	(7,685)	26,243	(1,747,627)
Including:							
- Depreciation of property, plant and equipment	(38,215)	(17,039)	(9,750)	(1,003)	(96)	-	(66,103)
- Depreciation of right-of-use assets	(16,269)	(9,143)	(9,520)	(1,190)	(54)	-	(36,176)
- Amortisation of intangible assets	(50,611)	(15,506)	(8,006)	(2,021)	-	-	(76,144)
Allowance for credit losses on financial assets	(26,555)	(222,499)	55,838	805	-	-	(192,411)
Profit before taxation and zakat	943,331	749,585	178,316	28,253	9,867	-	1,909,352
Taxation and zakat							(672,517)
Net profit for the financial period							1,236,835



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A24. Segmental Reporting (continued)**

As at 30 June 2022

	<b>Group Community Banking</b>	<b>Group Wholesale Banking</b>	<b>Group International Business</b>	<b>Insurance</b>	<b>Support Center and Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	127,598,115	127,595,997	39,442,468	1,685,152	301,761	296,623,493
Investments in associates and joint venture						12
Tax recoverable						115,846
Deferred tax assets						759,531
Unallocated assets						2,153,957
Total assets						<u>299,652,839</u>
Segment liabilities	107,251,157	121,598,861	32,717,459	1,288,954	15,026	262,871,457
Provision for taxation and zakat						553,241
Deferred tax liabilities						2,188
Borrowings						129,575
Senior debt securities						3,841,745
Subordinated obligations						3,221,608
Unallocated liabilities						1,576,603
Total liabilities						<u>272,196,417</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A24. Segmental Reporting (continued)**

Six months ended 30 June 2021

	<b>Group Community Banking</b>	<b>Group Wholesale Banking</b>	<b>Group International Business</b>	<b>Insurance</b>	<b>Support Center and Others</b>	<b>Inter- Segment Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	1,862,266	1,747,508	341,016	108,264	(130,613)	-	3,928,441
Inter-segment revenue	-	13,360	613	8,549	8,949	(31,471)	-
Segment revenue	1,862,266	1,760,868	341,629	116,813	(121,664)	(31,471)	3,928,441
Other operating expenses	(953,706)	(471,629)	(231,156)	(58,738)	(65,814)	31,471	(1,749,572)
Including:							
- Depreciation of property, plant and equipment	(38,079)	(10,380)	(8,203)	(1,036)	(116)	-	(57,814)
- Depreciation of right-of-use assets	(16,562)	(8,624)	(8,256)	(1,140)	(118)	-	(34,700)
- Amortisation of intangible assets	(38,674)	(13,151)	(6,572)	(1,770)	-	-	(60,167)
Allowance for credit losses on financial assets	(247,630)	(107,390)	(40,023)	(6,121)	5	-	(401,159)
Impairment losses made on other non-financial assets	-	(314)	-	-	-	-	(314)
Profit/(Loss) before taxation and zakat	660,930	1,181,535	70,450	51,954	(187,473)	-	1,777,396
Taxation and zakat							(423,306)
Net profit for the financial period							<u>1,354,090</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A24. Segmental Reporting (continued)**

**As at 31 December 2021**

	<b>Group Community Banking RM'000</b>	<b>Group Wholesale Banking RM'000</b>	<b>Group International Business RM'000</b>	<b>Insurance RM'000</b>	<b>Support Center and Others RM'000</b>	<b>Total RM'000</b>
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>





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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) The offer made by the Bank under the Share Grant Scheme as disclosed in Note B6(c); and
- (b) RHB Nominees Singapore Pte Ltd, a wholly-owned subsidiary of the Bank, had been dissolved on 26 July 2022 pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).

**A27. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the six months ended 30 June 2022 other than the following:

- (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;
- (b) RHB Research Institute Singapore Pte Ltd, a wholly-owned subsidiary of the Bank, had been dissolved on 11 January 2022 pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018);
- (c) PT RHB Asset Management Indonesia ceased to be an indirect wholly-owned subsidiary of the Bank with effect from 31 January 2022 following the disposal by PT RHB Sekuritas Indonesia as further disclosed in Note B10;
- (d) RHB Investment Bank Berhad ('RHB Investment Bank') had on 9 March 2022, subscribed for 5 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH') amounting to RM10,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by RHB Investment Bank in RHBPEH remains the same;
- (e) Summit Nominees Pte Ltd, a wholly-owned subsidiary of the Bank, had been dissolved on 21 May 2022 pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018); and
- (f) The Bank has on 23 June 2022 injected additional capital of LAK39.7 billion (equivalent to RM11.7 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 LAK420.6 billion to LAK460.3 billion.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

**(a) Commitments and Contingencies**

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

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>Contingent liabilities</b>				
Direct credit substitutes	1,420,333	1,394,350	1,418,217	1,390,928
Transaction-related contingent items	2,883,311	3,077,649	2,515,857	2,714,070
Short term self-liquidating trade-related contingencies	1,406,467	977,071	1,081,697	883,894
	<b>5,710,111</b>	<b>5,449,070</b>	<b>5,015,771</b>	<b>4,988,892</b>
<b>Commitments</b>				
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	5,634,472	5,424,754	5,942,669	5,424,754
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	344,840	35,530	185,300	35,530
Irrevocable commitments to extend credit				
- Maturity less than one year	9,737,922	10,416,569	7,016,534	7,335,607
- Maturity more than one year	26,180,154	24,147,171	16,459,784	15,554,354
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	15,882,553	15,415,727	13,455,287	12,815,528
	<b>57,779,941</b>	<b>55,439,751</b>	<b>43,059,574</b>	<b>41,165,773</b>
<b>Derivative financial instruments</b>				
Foreign exchange related contracts^				
- Less than one year	58,880,273	46,065,953	58,802,557	50,314,717
- One year to less than five years	4,774,936	3,904,977	4,885,119	4,009,107
- More than five years	452,349	354,724	452,349	354,724
Commodity related contracts^				
- Less than one year	150,930	58,332	151,071	58,332
- One year to less than five years	364,216	244,110	364,396	244,110
- More than five years	102,960	100,051	102,960	100,051
Equity related contracts^				
- Less than one year	902,102	1,140,762	903,050	1,140,762
- One year to less than five years	16,532	4,286	16,532	4,286
Interest rate related contracts^				
- Less than one year	11,022,413	6,872,522	13,442,413	9,782,522
- One year to less than five years	41,498,681	31,697,379	44,841,681	33,697,379
- More than five years	5,032,366	6,445,228	5,649,366	8,245,228
	<b>123,197,758</b>	<b>96,888,324</b>	<b>129,611,494</b>	<b>107,951,218</b>
	<b>186,687,810</b>	<b>157,777,145</b>	<b>177,686,839</b>	<b>154,105,883</b>

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

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

(b) Guarantees Issued by the Group and the Bank

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

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

(c) Contingent Liabilities

As at 30 June 2022, 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 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for property, plant and equipment	<u>270,258</u>	<u>319,850</u>	<u>238,589</u>	<u>286,744</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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.

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

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

	Group		Bank <sup>@</sup>	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>Common Equity Tier I ('CET I')/Tier I Capital</b>				
Share capital	7,970,162	7,612,612	7,970,162	7,612,612
Retained profits	18,738,788	18,689,157	14,224,806	13,954,209
Other reserves	820,533	704,808	574,637	491,179
FVOCI reserves	(850,745)	406,012	(718,142)	394,726
	<u>26,678,738</u>	<u>27,412,589</u>	<u>22,051,463</u>	<u>22,452,726</u>
<b>Less:</b>				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(568,068)	(567,938)	(504,649)	(503,178)
Deferred tax assets	(431,088)	(425,268)	(306,172)	(291,577)
55% of cumulative gains arising from change in value of FVOCI instruments	-	(223,307)	-	(217,099)
Investments in subsidiaries	(102,425)	(102,425)	(4,460,042)	(4,448,364)
Investments in associates and joint venture	(12)	(12)	-	-
Other deductions <sup>#</sup>	(25,516)	(11,043)	(25,495)	(10,691)
Total CET I Capital	<u>22,913,431</u>	<u>23,444,398</u>	<u>15,040,192</u>	<u>15,266,904</u>
Qualifying non-controlling interests recognised as Tier I Capital	<u>157</u>	<u>170</u>	<u>-</u>	<u>-</u>
Total Tier I Capital	<u>22,913,588</u>	<u>23,444,568</u>	<u>15,040,192</u>	<u>15,266,904</u>
<b>Tier II Capital</b>				
Subordinated obligations meeting all relevant criteria	2,249,442	2,249,289	2,249,442	2,249,289
Qualifying capital instruments of a subsidiary issued to third parties <sup>+</sup>	398,738	398,771	-	-
Surplus eligible provisions over expected losses	514,404	510,312	376,417	375,828
General provisions <sup>^</sup>	325,197	292,712	220,026	210,705
Total Tier II Capital	<u>3,487,781</u>	<u>3,451,084</u>	<u>2,845,885</u>	<u>2,835,822</u>
<b>Total Capital</b>	<u>26,401,369</u>	<u>26,895,652</u>	<u>17,886,077</u>	<u>18,102,726</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A30. Capital Adequacy Ratio (continued)**

	Group		Bank <sup>@</sup>	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	<b>17.026%</b>	17.831%	<b>15.308%</b>	16.094%
Tier I Capital Ratio	<b>17.026%</b>	17.831%	<b>15.308%</b>	16.094%
Total Capital Ratio	<b>19.618%</b>	20.455%	<b>18.205%</b>	19.083%
After proposed dividends and DRP*:				
CET I Capital Ratio	<b>16.635%</b>	17.200%	<b>14.772%</b>	15.220%
Tier I Capital Ratio	<b>16.635%</b>	17.201%	<b>14.772%</b>	15.220%
Total Capital Ratio	<b>19.227%</b>	19.825%	<b>17.669%</b>	18.210%

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

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

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

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

Includes the qualifying regulatory reserves of the Group and the Bank of RM117,098,000 (31 December 2021: RM85,609,000) and RM108,317,000 (31 December 2021: RM120,542,000) respectively.

<sup>\*</sup> After interim single-tier dividend of 15.0 sen per share in respect of the financial year ending 31 December 2022, amounting to RM631,812,000, consisting of cash portion of 10.0 sen per share and an electable portion of 5.0 sen per share (31 December 2021: final single-tier dividend of 25.0 sen per share amounting to RM1,035,730,000, consisting of cash portion of 15.0 sen per share and an electable portion of 10.00 sen per share). There is no irrevocable written undertaking from its shareholders, hence, the amount of the interim/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.



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A30. Capital Adequacy Ratio (continued)**

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

	RHB Islamic Bank		RHB Investment Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>CET I/Tier I Capital</b>				
Share capital	1,673,424	1,673,424	1,220,000	1,220,000
Retained profits	3,882,827	3,716,002	380,900	481,289
FVOCI reserves	(166,624)	(28,023)	33,930	38,642
	<b>5,389,627</b>	<b>5,361,403</b>	<b>1,634,830</b>	<b>1,739,931</b>
<b>Less:</b>				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(712,827)	(717,155)
Intangible assets (include associated deferred tax liabilities)	(3,467)	(2,976)	(31,018)	(30,183)
Deferred tax assets	(106,048)	(102,565)	(20,005)	(22,684)
55% of cumulative gains arising from change in value of FVOCI instruments	-	-	(18,662)	(21,253)
Other deductions <sup>#</sup>	(21)	(918)	-	(71)
Total CET I Capital/Tier I Capital	<b>5,280,091</b>	<b>5,254,944</b>	<b>479,923</b>	<b>576,190</b>
<b>Tier II Capital</b>				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	200,000	200,000
Surplus eligible provisions over expected losses	138,056	134,679	-	-
General provisions <sup>^</sup>	45,759	52,467	8,289	10,428
Total Tier II Capital	<b>933,815</b>	<b>937,146</b>	<b>208,289</b>	<b>210,428</b>
<b>Total Capital</b>	<b>6,213,906</b>	<b>6,192,090</b>	<b>688,212</b>	<b>786,618</b>
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.502%	17.635%	26.851%	29.319%
Tier I Capital Ratio	17.502%	17.635%	26.851%	29.319%
Total Capital Ratio	20.598%	20.780%	38.504%	40.027%
After proposed dividends:				
CET I Capital Ratio	17.170%	16.849%	26.851%	24.231%
Tier I Capital Ratio	17.170%	16.849%	26.851%	24.231%
Total Capital Ratio	20.265%	19.994%	38.504%	34.938%



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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 RM28,119,000 (31 December 2021: RM41,763,000) and RM8,197,000 (31 December 2021: RM10,400,000 ) respectively.

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

	<b>Group</b>	<b>Bank<sup>@</sup></b>	<b>RHB Islamic Bank</b>	<b>RHB Investment Bank</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2022</b>				
Credit risk	117,819,668	86,660,990	27,132,963	663,084
Market risk	3,296,659	2,749,352	233,408	179,294
Operational risk	13,461,796	8,838,578	2,801,286	944,993
Total risk-weighted assets	<u>134,578,123</u>	<u>98,248,920</u>	<u>30,167,657</u>	<u>1,787,371</u>
<b>31 December 2021</b>				
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>

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



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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:

	<b>As at 30 June 2022 RM'000</b>	<b>As at 31 December 2021 RM'000</b>
Before proposed dividends:		
Solvency ratio	<b>16.732%</b>	17.685%
After proposed dividends:		
Solvency ratio	<b>16.732%</b>	17.685%

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**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
Outstanding credit exposures with connected parties (RM'000)	<b>13,610,524</b>	13,184,949	<b>8,913,967</b>	8,690,660
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	<b>5.55</b>	5.47	<b>5.92</b>	5.82
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	<b>-</b>	0.04	<b>-</b>	-

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.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A32. Operations of Islamic Banking**

**(a) Statement of Financial Position as at 30 June 2022**

	Note	Group		Bank	
		As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>ASSETS</b>					
Cash and short-term funds		6,802,843	8,061,955	-	-
Deposits and placements with banks and other financial institutions		1,901,489	2,326,510	-	-
Financial assets at FVTPL		138,450	52,093	-	-
Financial assets at FVOCI		5,154,853	5,587,524	-	-
Financial investments at amortised cost		5,826,074	5,235,191	-	-
Financing and advances		77,851,519	75,232,072	983,186	970,383
Other assets		530,135	555,940	158,983	144,803
Derivative assets		117,299	9,175	-	-
Statutory deposits		12,500	20,000	-	-
Deferred tax assets		158,108	110,860	-	-
Right-of-use assets		1,979	2,528	-	-
Property, plant and equipment		4,251	3,452	-	-
Intangible assets		4,025	3,528	-	-
Total assets		<b>98,503,525</b>	<b>97,200,828</b>	<b>1,142,169</b>	<b>1,115,186</b>
<b>LIABILITIES</b>					
Deposits from customers		72,505,651	71,661,203	-	-
Deposits and placements of banks and other financial institutions		3,232,924	4,539,457	1,067,458	1,048,047
Investment accounts	A22	1,155,476	581,291	-	-
Bills and acceptances payable		7,816	8,287	-	-
Other liabilities		269,910	214,046	-	-
Derivative liabilities		12,140	44,104	-	-
Recourse obligation on financing sold to Cagamas		753,535	753,585	-	-
Provision for taxation and zakat		154,335	93,685	-	-
Lease liabilities		2,039	2,548	-	-
Subordinated obligations		754,282	754,573	-	-
Total liabilities		<b>78,848,108</b>	<b>78,652,779</b>	<b>1,067,458</b>	<b>1,048,047</b>
Islamic Banking Funds		19,655,417	18,548,049	74,711	67,139
Total liabilities and Islamic Banking Funds		<b>98,503,525</b>	<b>97,200,828</b>	<b>1,142,169</b>	<b>1,115,186</b>
Commitments and contingencies		<b>20,310,878</b>	<b>19,633,698</b>	<b>63,518</b>	<b>1,032,116</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A32. Operations of Islamic Banking (continued)**

**(b) Income Statement for the Six Months Ended 30 June 2022**

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	787,989	741,670	1,515,036	1,448,959
Income derived from investment account funds	117,889	89,698	227,394	174,992
Income derived from investment of shareholders' funds	81,511	30,701	117,549	119,483
Net modification loss	-	-	-	(20,597)
Allowance for credit losses	(71,558)	(85,463)	(109,228)	(121,395)
Total distributable income	915,831	776,606	1,750,751	1,601,442
Income attributable to depositors	(372,667)	(363,167)	(726,228)	(722,388)
Profit distributed to investment account holders	(13,223)	(7,399)	(23,313)	(7,399)
	529,941	406,040	1,001,210	871,655
Personnel expenses	(6,377)	(6,455)	(14,023)	(14,301)
Other overheads and expenditures	(131,368)	(97,591)	(257,673)	(196,658)
Profit before taxation and zakat	392,196	301,994	729,514	660,696
Taxation and zakat	(88,725)	(64,337)	(178,088)	(127,052)
Net profit for the financial period	303,471	237,657	551,426	533,644

**Statement of Comprehensive Income for the Six Months Ended 30 June 2022**

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Net profit for the financial period	303,471	237,657	551,426	533,644
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	(118,228)	51,017	(177,101)	(163,116)
- Net transfer to income statement on disposal	(810)	(30,135)	(5,269)	(66,599)
- Changes in expected credit losses	4,218	(306)	4,060	(336)
Income tax relating to components of other comprehensive loss/(income)	28,570	(5,012)	43,769	55,131
Other comprehensive (loss)/income, net of tax, for the financial period	(86,250)	15,564	(134,541)	(174,920)
Total comprehensive income for the financial period	217,221	253,221	416,885	358,724



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A32. Operations of Islamic Banking (continued)**

**(b) Income Statement for the Six Months Ended 30 June 2022**

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income derived from investment of depositors' funds	4,284	2,850	7,201	5,503
Income derived from investment of shareholders' funds	-	15	-	15
Allowance for credit losses	2,795	3,950	2,820	(270)
Total distributable income	7,079	6,815	10,021	5,248
Income attributable to depositors	(2,864)	(1,383)	(4,346)	(2,690)
Profit before taxation	4,215	5,432	5,675	2,558
Taxation	-	-	-	-
Net profit for the financial period	4,215	5,432	5,675	2,558

**Statement of Comprehensive Income for the Six Months Ended 30 June 2022**

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Net profit for the financial period	4,215	5,432	5,675	2,558
Total comprehensive income for the financial period	4,215	5,432	5,675	2,558



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A32. Operations of Islamic Banking (continued)**

**(d) Financing and Advances**

	Group		Bank	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Cashline	1,147,276	1,020,558	-	-
Term financing				
- Housing financing	26,630,045	24,537,246	-	-
- Syndicated term financing	4,694,181	3,257,874	-	-
- Hire purchase receivables	9,437,371	9,163,396	-	-
- Other term financing	32,128,839	33,803,255	984,446	978,132
Bills receivables	274,470	382,513	-	-
Trust receipts	40,375	40,694	-	-
Claims on customers under acceptance credits	1,353,558	1,017,087	-	-
Share margin financing	12,143	1,752	-	-
Staff financing	13,657	13,180	-	-
Credit/charge card receivables	277,358	271,518	-	-
Revolving financing	2,534,981	2,337,239	-	-
Gross financing and advances	78,544,254	75,846,312	984,446	978,132
Less: Allowance for credit losses	(692,735)	(614,240)	(1,260)	(7,749)
Net financing and advances	77,851,519	75,232,072	983,186	970,383

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

Balance as at the beginning of the financial year/period	389,489	435,207	3,689	-
Transfer to 12-month ECL (Stage 1)	(6,459)	(15,496)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(27,215)	(53,767)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	212,164	157,405	-	-
Purchases and origination	14,588	31,079	-	3,689
Derecognition	(101,701)	(72,445)	-	-
Amount written off	(43,212)	(101,293)	(3,751)	-
Modification of contractual cash flow	-	(12)	-	-
Other movements	15	8,811	-	-
Exchange differences	111	-	111	-
Balance as at the end of the financial year/period	437,780	389,489	49	3,689



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	174,674	252,606	186,960	614,240
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	36,997	(34,374)	(2,623)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(7,070)	16,282	(9,212)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(604)	(4,834)	5,438	-
	29,323	(22,926)	(6,397)	-
Changes in credit risk	(45,909)	107,291	49,965	111,347
Purchases and origination	15,211	1,537	99	16,847
Changes to model methodologies	(132)	(1,337)	(144)	(1,613)
Derecognition	(8,734)	(3,111)	(10,212)	(22,057)
Bad debts written off	-	-	(26,273)	(26,273)
Exchange differences	115	-	114	229
Other movements	-	-	15	15
Balance as at the end of the financial period	164,548	334,060	194,127	692,735
<b>31 December 2021</b>				
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
Changes to model methodologies	(4,952)	(8,592)	55	(13,489)
Derecognition	(7,269)	(12,504)	(24,307)	(44,080)
Bad debts written off	-	-	(61,989)	(61,989)
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



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A32. Operations of Islamic Banking (continued)**

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

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

<b>Bank</b>	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>(Stage 1)</b>	<b>impaired</b>	<b>impaired</b>	
	<b>RM'000</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>	<b>RM'000</b>
<b>30 June 2022</b>				
Balance as at the beginning of the financial period	3,965	-	3,784	7,749
Changes in credit risk	(2,820)	-	-	(2,820)
Bad debts written off	-	-	(3,898)	(3,898)
Exchange differences	115	-	114	229
Balance as at the end of the financial period	<u>1,260</u>	<u>-</u>	<u>-</u>	<u>1,260</u>
<b>31 December 2021</b>				
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>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**A32. Operations of Islamic Banking (continued)**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>(e) Other Assets</b>				
Prepayments	34,388	29,816	-	-
Deposits	1,088	1,088	-	-
Other receivables	494,659	525,036	158,983	144,803
	<b>530,135</b>	<b>555,940</b>	<b>158,983</b>	<b>144,803</b>
			Group	
			As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>(f) Deposits from Customers</b>				
Saving Deposits				
- Qard			2,723,930	2,574,440
Demand Deposits				
- Qard			5,598,245	6,183,489
- Commodity Murabahah			3,040,257	3,134,399
Term Deposits				
- Commodity Murabahah			49,977,717	50,129,731
Specific Investment Account				
- Commodity Murabahah			11,165,257	9,638,797
General Investment Account				
- Mudharabah			245	347
			<b>72,505,651</b>	<b>71,661,203</b>
<b>(g) Other Liabilities</b>				
Sundry creditors			75,425	8,126
Contract liability			115,296	129,683
Short term employee benefits			3,033	6,719
Accrual for operational expenses			33,514	34,201
Structured deposits			40,102	-
Other accruals and payables			2,540	35,317
			<b>269,910</b>	<b>214,046</b>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B1. Review of Group Results**

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

The Group reported a pre-tax profit of RM1,909.4 million for the first half year ended 30 June 2022, 7.4% higher from RM1,777.4 million recorded a year ago. The year-on-year improvement was mainly due to higher net funding income, lower modification loss and lower allowances for credit losses, partly offset by lower non-fund based income.

Net fund based income increased by 6.5% to RM3,033.2 million year-on-year on the back of a 6.7% increase in gross fund based income, supported by gross loans and financing growth of 7.3%.

Non-fund based income declined by 26.9% to RM816.2 million from a year ago driven by lower brokerage income, lower capital market and wealth management fee income and lower net trading and investment income, partly offset by higher net gain on foreign exchange and derivatives and higher gain on disposal of a subsidiary.

Operating expenses remained flat with cost-to-income ratio at 45.4% compared with 44.5% a year ago.

Allowance for credit losses was at RM192.4 million, 52.0% lower than previous year. Annualised credit charge ratio was at 0.16% compared to 0.42% last year.

Total assets of the Group increased by 3.5% from December 2021 to RM299.7 billion as at 30 June 2022. Net assets per share was at RM6.51, with shareholders' equity at RM27.4 billion as at 30 June 2022.

The Group's gross loans and financing grew by 7.3% year-on-year to RM204.9 billion, mainly supported by growth in mortgage, corporate, SME and Singapore. Domestic loans and financing grew 6.1% year-on-year.

Customer deposits increased by 4.8% year-on-year to RM225.9 billion, predominantly attributed to CASA growth of 5.0%, and fixed and money market time deposits of 4.6%. CASA composition stood at 29.3% as at 30 June 2022.

Gross impaired loans was at RM3.3 billion as at 30 June 2022, with gross impaired loans ratio of 1.62% compared with RM3.1 billion and 1.63% at 30 June 2021. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained strong at 117.0% as at end-June 2022.





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B1. Review of Group Results**

**(b) Performance by Operating Segment**

(i) GCB

GCB reported a pre-tax profit of RM943.3 million for the first six months ended 30 June 2022, 42.7% higher than previous year. This was mainly attributed to higher net fund based income and lower allowances for credit losses, partially offset by lower non-fund based income and higher operating expenses.

Gross loans and financing was at RM128.6 billion, 7.9% higher year-on-year, primarily driven by growth in mortgages, SME and auto financing.

Total deposits increased by 8.2% year-on-year to RM103.9 billion as at 30 June 2022, contributed by growth in fixed deposits and CASA.

(ii) GWB

GWB recorded a pre-tax profit of RM749.6 million, a decrease of 36.6% from the previous year. This is on the back of lower net fund based income, lower non-fund based income, higher operating expenses and higher expected credit losses.

Gross loans and financing increased by 2.0% year-on-year to RM49.8 billion, while total deposits remained at RM96.0 billion.

(iii) Group International Business

RHB Bank Singapore recorded a pre-tax profit of SGD37.5 million compared with pre-tax profit of SGD5.9 million in the previous year. This was mainly due to higher net fund based income and higher expected credit losses written back, partially offset by lower non-fund based income and higher operating expenses.

Singapore loans and advances increased by 13.9% year-on-year to SGD6.8 billion, while deposits increased by 10.0% to SGD6.9 billion.

Group International Business excluding Singapore registered a pre-tax profit of RM59.6 million, 14.6% higher than the previous year. This was mainly due to higher profitability recorded in Lao and Cambodia.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B2. Current Quarter vs Previous Quarter**

Pre-tax profit of the Group increased by 14.4% to RM1,018.8 million from RM890.6 million recorded in the preceding quarter ended 31 March 2022. This was primarily due to higher net fund based income and lower allowances for credit losses, partly offset by lower non-fund based income and higher operating expenses.

**B3. Prospects for Financial Year 2022**

For 2022, Malaysia's economic outlook is expected to be anchored by resilient domestic demand following the reopening of the economy as strict containment measures are lifted. However, rising inflationary pressures, geopolitical conflicts, supply chain disruption and a slow-down in global growth are factors which could potentially slow the upward momentum in domestic demand towards end-2022.

Nevertheless, the banking sector is projected to remain robust underpinned by healthy capital and liquidity positions as well as adequate levels of provisioning. In addition, the Central Bank could raise overnight policy rate further.

The Group remains focused on its 3-year Strategy, TWP24 which aims at improving business performance by driving quality growth and service excellence where digitalisation and innovation will continue to be featured prominently in the execution of the strategy.

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

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



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B5. Taxation and Zakat**

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	423,611	235,738	650,938	408,488
- Overseas tax	2,185	3,197	8,651	14,939
Deferred tax	(39,362)	(28,312)	11,710	(3,547)
	<b>386,434</b>	210,623	<b>671,299</b>	419,880
(Over)/Under provision in respect of prior financial years	(4,965)	(2,144)	(2,282)	558
Tax expense	<b>381,469</b>	208,479	<b>669,017</b>	420,438
Zakat	1,750	1,500	3,500	2,868
	<b>383,219</b>	209,979	<b>672,517</b>	423,306

The effective tax rate of the Group for the second quarter and six months ended 30 June 2022 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	324,312	192,584	472,030	301,484
- Overseas tax	814	381	814	381
Deferred tax	(46,130)	(25,985)	5,536	1,750
	<b>278,996</b>	166,980	<b>478,380</b>	303,615
Under/(Over) provision in respect of prior financial years	311	(1,752)	311	(1,752)
	<b>279,307</b>	165,228	<b>478,691</b>	301,863

The effective tax rate of the Bank for the second quarter and six months ended 30 June 2022 was lower than the statutory tax rate mainly due to certain income not subject to tax.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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.

**(b) 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 the following potential strategic collaboration opportunities:

- (i) to enhance the joint customer ecosystems offering bundled digital solutions;
- (ii) to jointly apply to BNM for a digital banking license; and
- (iii) to jointly explore other potential opportunities deemed suitable.

The term of the MOU shall be for a period of two years from its commencement date on 2 June 2021 and may be extended on terms to be mutually agreed by parties.

Following the signing of the MOU, the Bank had on the same day entered into a heads of agreement with Boost Holdings Sdn Bhd ('Boost Holdings'), a 75.36% subsidiary of Axiata for the purpose of regulating the terms for joint application to BNM for a digital banking license. The joint application for the digital bank license was submitted to BNM on 30 June 2021.

On 29 April 2022, the Bank has received conditional approval from BNM for the joint application for a digital bank license by Boost Holdings and the Bank, subject to the condition that the proposed digital bank shall commence its banking operations within 24 months from 8 April 2022.

Subject to satisfying the operational readiness requirements by BNM and barring any unforeseen circumstances, the proposed digital bank is targeted to be operational in the second half of 2023, and shall focus on the underserved, unserved and/or unbanked segment primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.



**RHB BANK BERHAD**

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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B6. Status of Corporate Proposals (continued)**

**(c) Establishment of Share Grant Scheme ('SGS')**

The Bank has on 2 June 2022 implemented the SGS, which was approved by the shareholders at an extraordinary general meeting ('EGM') held on 27 April 2022.

The 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)') 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 of the 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 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, and shall be in force for a period of nine years commencing from the effective date of implementation of the SGS.

As at 30 June 2022, the Bank has yet to award any SGS to the Eligible Employees. The Bank has on 4 July 2022, made an offer of 4,685,000 RHB Bank Shares at RM5.71 per share to the Eligible Employees, of which the vesting period of the shares offered will be 3 years from even date. The SGS related expenses will be recognised in the financial statements from the effective offer date in accordance with MFRS 2 'Share-based Payment'.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Deposits from customers				
- One year or less	222,981,607	216,649,385	142,883,364	136,601,996
- More than one year	2,960,421	2,083,200	1,381,407	950,580
	<u>225,942,028</u>	<u>218,732,585</u>	<u>144,264,771</u>	<u>137,552,576</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	20,156,045	18,780,203	23,812,839	21,266,823
- One year to three years	1,372,291	1,858,196	1,335,397	1,732,750
- Three years to five years	1,414,652	1,362,647	1,330,378	1,281,367
- Over five years	1,915,440	1,405,781	1,884,884	1,388,659
	<u>24,858,428</u>	<u>23,406,827</u>	<u>28,363,498</u>	<u>25,669,599</u>

**(b) Borrowings**

	Group	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>Secured</b>		
Term loans:		
- Cambodian Riel	-	11,001
<b>Unsecured</b>		
Promissory note:		
- Indonesia Rupiah	-	14,619
- Thai Baht	129,575	101,760
	<u>129,575</u>	<u>127,380</u>
Scheduled repayment of borrowings:		
- Within one year	<u>129,575</u>	<u>127,380</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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 30 June 2022 RM'000	As at 31 December 2021 RM'000
USD300 million 3.766% senior debt securities due in 2024	1,339,647	1,265,758
RM300 million 2.85% senior Sukuk Murabahah due in 2025	301,579	301,587
USD500 million 1.658% senior debt securities due in 2026	2,200,519	2,079,024
	<b>3,841,745</b>	<b>3,646,369</b>

**(d) Subordinated obligations**

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027	-	252,206	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027	759,269	759,287	759,269	759,287
4.90% RM200 million Tier II Subordinated Notes 2017/2027	202,148	202,175	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	502,308	502,367	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	501,341	501,366	501,341	501,366
3.13% RM500 million Tier II Subordinated Notes 2020/2030	501,574	501,463	501,574	501,463
3.65% RM500 million Tier II Subordinated Notes 2021/2031	502,994	503,018	502,994	503,018
4.06% RM250 million Tier II Subordinated Sukuk Murabahah 2022/2032	251,974	-	-	-
	<b>3,221,608</b>	<b>3,221,882</b>	<b>2,265,178</b>	<b>2,265,134</b>

The subordinated obligations comprise unsecured liabilities of the Bank and its investment and islamic bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital (as disclosed in Note A30) for the purpose of determining the capital adequacy ratios of the Bank and the respective subsidiaries.



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B8. Derivative Financial Instruments**

Details of derivative financial instruments outstanding are as follows:

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

Group	As at 30 June 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	58,714,060	683,367	417,097	44,563,855	155,571	313,681
- Options	164,368	11,587	1,419	280,615	5,491	29
- Cross-currency interest rate swaps	5,229,130	151,990	155,545	5,481,184	103,111	66,341
	<b>64,107,558</b>	<b>846,944</b>	<b>574,061</b>	<b>50,325,654</b>	<b>264,173</b>	<b>380,051</b>
Interest rate related contracts						
- Swaps	49,479,191	708,488	558,234	36,459,614	354,424	329,372
Commodity related contracts						
- Options	618,106	27,938	27,938	402,493	22,325	22,329
Equity related contracts						
- Options	918,634	1,334	1,032	1,145,048	1,127	1,112
Futures related contracts						
	9,935	513	608	93,017	911	373
Structured warrants						
	231,328	-	15,892	284,760	-	21,549
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,074,269	181,698	14,709	8,555,515	75,655	133,140
Total	<b>123,439,021</b>	<b>1,766,915</b>	<b>1,192,474</b>	<b>97,266,101</b>	<b>718,615</b>	<b>887,926</b>





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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

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

Bank	As at 30 June 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	58,239,682	675,770	425,060	48,437,748	183,224	328,558
- Options	164,368	11,587	1,419	280,615	5,491	29
- Cross-currency interest rate swaps	5,735,975	151,944	155,717	5,960,185	103,111	66,527
	<b>64,140,025</b>	<b>839,301</b>	<b>582,196</b>	<b>54,678,548</b>	<b>291,826</b>	<b>395,114</b>
Interest rate related contracts						
- Swaps	59,659,191	854,198	704,109	46,969,614	464,897	439,845
Commodity related contracts						
- Options	618,427	27,938	27,938	402,493	22,325	22,329
Equity related contracts						
- Options	919,582	1,334	1,032	1,145,048	1,127	1,112
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,274,269	49,376	1,321	4,755,515	18,661	79,661
<b>Total</b>	<b>129,611,494</b>	<b>1,772,147</b>	<b>1,316,596</b>	<b>107,951,218</b>	<b>798,836</b>	<b>938,061</b>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

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

Group	As at 30 June 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By remaining period to maturity/next re-pricing date</b>						
<u>Trading Derivatives:</u>						
<u>Foreign exchange related contracts</u>						
- Less than one year	58,880,273	697,012	453,645	46,065,953	201,236	314,835
- One year to three years	2,425,059	67,026	57,008	1,985,490	26,404	36,963
- More than three years	2,802,226	82,906	63,408	2,274,211	36,533	28,253
	<u>64,107,558</u>	<u>846,944</u>	<u>574,061</u>	<u>50,325,654</u>	<u>264,173</u>	<u>380,051</u>
<u>Interest rate related contracts</u>						
- Less than one year	10,960,333	58,386	49,551	6,376,200	18,294	30,918
- One year to three years	21,194,036	229,945	203,048	14,402,212	83,009	80,409
- More than three years	17,324,822	420,157	305,635	15,681,202	253,121	218,045
	<u>49,479,191</u>	<u>708,488</u>	<u>558,234</u>	<u>36,459,614</u>	<u>354,424</u>	<u>329,372</u>
<u>Commodity related contracts</u>						
- Less than one year	150,930	2,056	2,056	58,332	148	148
- One year to three years	60,888	1,713	1,713	15,083	12	12
- More than three years	406,288	24,169	24,169	329,078	22,165	22,169
	<u>618,106</u>	<u>27,938</u>	<u>27,938</u>	<u>402,493</u>	<u>22,325</u>	<u>22,329</u>
<u>Equity related contracts</u>						
- Less than one year	902,102	1,334	1,032	1,140,762	1,127	1,112
- One year to three years	16,532	-	-	4,286	-	-
	<u>918,634</u>	<u>1,334</u>	<u>1,032</u>	<u>1,145,048</u>	<u>1,127</u>	<u>1,112</u>
<u>Futures related contracts</u>						
- Less than one year	9,935	513	608	93,017	911	373
	<u>9,935</u>	<u>513</u>	<u>608</u>	<u>93,017</u>	<u>911</u>	<u>373</u>
<u>Structured warrants</u>						
- Less than one year	231,226	-	15,885	284,760	-	21,549
- One year to three years	102	-	7	-	-	-
	<u>231,328</u>	<u>-</u>	<u>15,892</u>	<u>284,760</u>	<u>-</u>	<u>21,549</u>
<u>Fair Value Hedging Derivatives:</u>						
<u>Interest rate related contracts</u>						
- Less than one year	62,080	-	7	496,322	413	140
- One year to three years	4,397,348	52,275	9,366	2,753,083	355	63,725
- More than three years	3,614,841	129,423	5,336	5,306,110	74,887	69,275
	<u>8,074,269</u>	<u>181,698</u>	<u>14,709</u>	<u>8,555,515</u>	<u>75,655</u>	<u>133,140</u>
Total	<u>123,439,021</u>	<u>1,766,915</u>	<u>1,192,474</u>	<u>97,266,101</u>	<u>718,615</u>	<u>887,926</u>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

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

Bank	As at 30 June 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By remaining period to maturity/next re-pricing date</b>						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	58,802,557	689,415	461,608	50,314,717	228,889	329,712
- One year to three years	2,535,243	67,026	57,008	2,089,620	26,404	36,963
- More than three years	2,802,225	82,860	63,580	2,274,211	36,533	28,439
	<b>64,140,025</b>	<b>839,301</b>	<b>582,196</b>	<b>54,678,548</b>	<b>291,826</b>	<b>395,114</b>
Interest rate related contracts						
- Less than one year	13,380,333	58,386	49,551	9,286,200	18,294	30,918
- One year to three years	24,274,036	255,895	229,164	16,402,212	114,035	111,435
- More than three years	22,004,822	539,917	425,394	21,281,202	332,568	297,492
	<b>59,659,191</b>	<b>854,198</b>	<b>704,109</b>	<b>46,969,614</b>	<b>464,897</b>	<b>439,845</b>
Commodity related contracts						
- Less than one year	151,071	2,056	2,056	58,332	148	148
- One year to three years	83,568	1,713	1,713	15,083	12	12
- More than three years	383,788	24,169	24,169	329,078	22,165	22,169
	<b>618,427</b>	<b>27,938</b>	<b>27,938</b>	<b>402,493</b>	<b>22,325</b>	<b>22,329</b>
Equity related contracts						
- Less than one year	903,050	1,334	1,032	1,140,762	1,127	1,112
- One year to three years	16,532	-	-	4,286	-	-
	<b>919,582</b>	<b>1,334</b>	<b>1,032</b>	<b>1,145,048</b>	<b>1,127</b>	<b>1,112</b>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	62,080	-	7	496,322	413	140
- One year to three years	2,937,348	34,994	696	1,753,084	355	32,699
- More than three years	1,274,841	14,382	618	2,506,109	17,893	46,822
	<b>4,274,269</b>	<b>49,376</b>	<b>1,321</b>	<b>4,755,515</b>	<b>18,661</b>	<b>79,661</b>
<b>Total</b>	<b>129,611,494</b>	<b>1,772,147</b>	<b>1,316,596</b>	<b>107,951,218</b>	<b>798,836</b>	<b>938,061</b>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B9. Fair Value of Financial Instruments**

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

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

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

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

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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 June 2022</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	192,832	3,635,455	687,274	4,515,561
- Money market instruments	-	2,253,416	-	2,253,416
- Quoted securities	192,832	-	-	192,832
- Unquoted securities	-	1,382,039	687,274	2,069,313
Financial assets at FVOCI:	2,263	38,890,851	738,810	39,631,924
- Money market instruments	-	18,163,086	-	18,163,086
- Quoted securities	2,263	-	-	2,263
- Unquoted securities	-	20,727,765	738,810	21,466,575
Derivative assets	-	1,766,915	-	1,766,915
	<u>195,095</u>	<u>44,293,221</u>	<u>1,426,084</u>	<u>45,914,400</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	<u>15,892</u>	<u>1,176,582</u>	<u>-</u>	<u>1,192,474</u>
<b>31 December 2021</b>				
<b><u>Financial assets</u></b>				
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
	<u>236,126</u>	<u>43,001,623</u>	<u>1,399,978</u>	<u>44,637,727</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	<u>21,549</u>	<u>866,377</u>	<u>-</u>	<u>887,926</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

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

<b>Bank</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>30 June 2022</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	2,284	2,531,588	14,913	2,548,785
- Money market instruments	-	2,114,966	-	2,114,966
- Quoted securities	2,284	-	-	2,284
- Unquoted securities	-	416,622	14,913	431,535
Financial assets at FVOCI:	-	33,342,009	699,894	34,041,903
- Money market instruments	-	15,978,574	-	15,978,574
- Unquoted securities	-	17,363,435	699,894	18,063,329
Derivative assets	-	1,772,147	-	1,772,147
	<u>2,284</u>	<u>37,645,744</u>	<u>714,807</u>	<u>38,362,835</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	1,316,596	-	1,316,596
<b>31 December 2021</b>				
<b><u>Financial assets</u></b>				
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>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	938,061	-	938,061

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



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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

(i) Valuation techniques

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

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

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

(ii) Reconciliation of fair value movements in Level 3

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

	Group		Bank	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<b>Financial assets at FVTPL</b>				
Balance as at the beginning of the financial period/year	641,145	547,085	14,482	13,657
Total net gain recognised in income statements	8,389	65,563	-	-
Purchases	4,332	35,000	431	825
Settlement/distribution	(3,085)	(25,674)	-	-
Exchange differences	36,493	19,171	-	-
Balance as at the end of the financial period/year	<u>687,274</u>	<u>641,145</u>	<u>14,913</u>	<u>14,482</u>
<b>Financial assets at FVOCI</b>				
Balance as at the beginning of the financial period/year	758,833	753,828	721,769	712,602
Total net (loss)/gain recognised in other comprehensive income	(20,027)	13,864	(21,875)	12,148
Settlement/disposal	-	(8,850)	-	(2,981)
Exchange differences	4	(9)	-	-
Balance as at the end of the financial period/year	<u>738,810</u>	<u>758,833</u>	<u>699,894</u>	<u>721,769</u>



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B10. 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 ('Disposal') for a consideration of approximately EUR6.53 million (or approximately RM30.83 million). The Disposal which entailed 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, was completed on 31 January 2022 and RHBAMI has since then ceased to be an indirect subsidiary of the Bank.

Financial information relating to the Disposal are as follows:

(a) Cash flows and net assets on disposal date

	<b>RM'000</b>
Cash and short-term funds	4,522
Other assets	972
Tax recoverable	285
Deferred tax assets	1,081
Right-of-use assets	1,007
Property, plant and equipment	785
Other intangible assets	355
Other liabilities	(1,493)
Lease liabilities	(1,134)
Tax liabilities	(22)
NCI	(25)
Total net assets derecognised	<u>6,333</u>
Gain on disposal of a subsidiary, gross	24,595
Exchange difference	(101)
Sales consideration received in cash	<u>30,827</u>
Less: Cash and short-term funds of the subsidiary disposed	(4,522)
Gain from realisation of translation reserves	<u>347</u>
Cash inflow on disposal of a subsidiary	<u>26,652</u>
Estimated income tax expense payable	<u>(3,608)</u>
<b>Estimated cash inflow on disposal of a subsidiary</b>	<b><u><u>23,044</u></u></b>

(b) Financial performance and cash flow

**Income Statement for the Six Months Ended 30 June 2022**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	-	80	14	171
Interest expense	-	(38)	(11)	(79)
Net interest income	-	42	3	92
Other operating income	-	1,423	765	2,965
Net income	-	1,465	768	3,057
Other operating expenses	-	(2,301)	(721)	(4,411)
Operating profit/(loss) before allowances	-	(836)	47	(1,354)
Allowance for credit losses on financial assets	-	-	4	-
Profit/(Loss) before taxation	-	(836)	51	(1,354)
Taxation	-	-	(3,798)	(2)
Gain on disposal of a subsidiary, gross	-	-	24,595	-
Net profit/(loss) for the financial period	<u>-</u>	<u>(836)</u>	<u>20,848</u>	<u>(1,356)</u>





**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**B10. Disposal of PT RHB Asset Management Indonesia ('RHBAMI') (continued)**

Financial information relating to the Disposal are as follows (continued):

(b) Financial performance and cash flow (continued)

**Statement of Comprehensive Income for the Six Months Ended 30 June 2022**

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	-	(836)	20,848	(1,356)
Other comprehensive income/(loss) in respect of:				
Item that will not be reclassified to profit or loss:				
- Actuarial loss on defined contribution plan of subsidiary	-	-	-	(67)
Item that will be reclassified subsequently to profit or loss:				
- Realisation of translation reserves	-	-	(347)	-
Income tax relating to components of other comprehensive loss/(income)	-	-	353	(51)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	6	(118)
Total comprehensive income/(loss) for the financial period	-	(836)	20,854	(1,474)

**Statements of Cash Flow for the Six Months Ended 30 June 2022**

	Six Months Ended	
	30 June	30 June
	2022	2021
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(3,708)	5,667
Net cash used in investing activities	(9)	(13)
Net cash generated from/(used in) financing activities	10	(165)
Net (decrease)/increase in cash and cash equivalents	(3,707)	5,489

**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022****B11. Dividends**

Dividend declared during the current financial period ended 30 June 2022:

- (a) Amount per share: Single-tier interim dividend of 15.0 sen per share, consisting of cash portion of 10.0 sen per share and an electable portion of 5.0 sen per share
- (b) Previous corresponding period: Single-tier interim dividend of 15.0 sen per share, consisting of cash portion of 5.0 sen per share and an electable portion of 10.0 sen per share
- (c) Entitlement date: To be determined later
- (d) Payment date: To be determined later

**B12. Earnings per Share**

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Profit attributable to equity holders of the Bank (RM'000)	<u>634,828</u>	<u>701,343</u>	<u>1,235,095</u>	<u>1,351,631</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,154,318</u>	<u>4,010,045</u>	<u>4,148,650</u>	<u>4,010,045</u>
Earnings per share (sen)				
- Basic	<u>15.3</u>	<u>17.5</u>	<u>29.8</u>	<u>33.7</u>
- Diluted	<u>15.3</u>	<u>17.5</u>	<u>29.8</u>	<u>33.7</u>

There were no dilutive potential ordinary shares outstanding as at 30 June 2022. As a result, the diluted earnings per share equal to the basic earnings per share for the financial period ended 30 June 2022.

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

(License No. LS0006901)

Company Secretary

29 August 2022